

T H E   C A B I N E T  
S T A T E   O F   F L O R I D A

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Representing:

DIVISION OF BOND FINANCE

FINANCIAL SERVICES COMMISSION, OFFICE OF  
INSURANCE REGULATION

POWER PLANT AND TRANSMISSION LINE SITING BOARD

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist  
presiding, in the Cabinet Meeting Room, LL-03,  
The Capitol, Tallahassee, Florida, on Tuesday,  
August 11, 2009, commencing at 9:05 a.m.

Reported by:  
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Registered Professional Reporter

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APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

\* \* \*

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## 1 P R O C E E D I N G S

2 (Commenced at 9:25 a.m.)

3 GOVERNOR CRIST: This morning we need to select  
4 a person to serve as the commissioner to head the  
5 Office of Financial Regulation. Is there a motion?

6 CFO SINK: Yes, Governor, I have a motion.  
7 This has been quite a long journey. And as you  
8 know, our office was asked to coordinate the  
9 acceptance of the applications and to coordinate the  
10 interview processes. And I want to thank your  
11 staffs and also Commission Bronson's staff for  
12 participating so diligently over a number of months.

13 But I believe that we have found the right  
14 person to head the Office of Financial Regulation  
15 going forward. And that's Mr. J. Thomas Cardwell.  
16 And, Tom, if you would just approach the podium  
17 while I say a few things about you and introduce  
18 you.

19 Tom Cardwell has a wealth of experience in the  
20 financial industry. He has been practicing banking  
21 and securities law for over 40 years, has been  
22 recognized as a leader in financial institutions  
23 law, served as the former chairman of the Florida  
24 Bar Financial Institutions Committee and also has  
25 been a member of the American Bar Association's

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1 Banking Law Committee for 26 years.

2 He has just recently retired as the managing  
3 partner of a prominent law firm here in Florida and  
4 served as the general counsel for the Florida  
5 Bankers' Association since 1982. And perhaps most  
6 importantly, Tom is willing to leave the private  
7 sector to enter the life of public service, and we  
8 are hopefully, if this motion is approved, are  
9 looking forward to many, many years of continued  
10 service to the State of Florida in this capacity.

11 So, Governor, I would like to make a motion to  
12 appoint J. Thomas Cardwell as the new director of  
13 the Office of Financial Regulation. His start date  
14 would be on August the 24th at a salary matching  
15 that of the director of the Office of Insurance  
16 Regulation, which is \$133,000. I make the motion.

17 ATTORNEY GENERAL McCOLLUM: I second it,  
18 Governor. And may I make a comment?

19 GOVERNOR CRIST: Of course.

20 ATTORNEY GENERAL McCOLLUM: I've known Tom  
21 Cardwell since law school, and I can't think of a  
22 finer person to do this job. I served in Congress  
23 and for many years on the House Banking Committee,  
24 and Tom was very active in banking interests in  
25 those years. So I know him personally very well,



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1 and I know the competency of the individual. I just  
2 can't imagine that we've been so fortunate to get a  
3 person of this stature and background to be willing  
4 to give his life, a little bit of life in public  
5 service. It's a great compliment to our state and a  
6 great compliment to you, Tom, that you would be  
7 willing to provide us with your skills and talents.  
8 So it's an honor to second your nomination, and I  
9 look forward to working with you.

10 GOVERNOR CRIST: I think the motion is going to  
11 go well for you.

12 MR. CARDWELL: Thank you, Governor.

13 GOVERNOR CRIST: All in favor please say aye.  
14 Aye.

15 ATTORNEY GENERAL McCOLLUM: Aye.

16 CFO SINK: Aye.

17 GOVERNOR CRIST: Opposed, like sign. It's  
18 unanimous. Congratulations, and we are very pleased  
19 to have you here and in public service, and if you'd  
20 like to say a few words, be my guest.

21 MR. CARDWELL: Well, Governor Crist, CFO Sink,  
22 Attorney General McCollum, I appreciate this welcome  
23 to public service, and I certainly look forward to  
24 it. I'm honored to be asked to serve in this  
25 position. These are very difficult financial times

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1 for all of our citizens, for the state government  
2 and for our businesses.

3 And I will do everything in my ability to see  
4 that the Office of Financial Regulation carries out  
5 its duties with competency, fairly and with  
6 integrity. And I'm looking forward to getting  
7 started in this new career. Thank you all.

8 GOVERNOR CRIST: Congratulations. Thank you.

9 (Applause)

10 GOVERNOR CRIST: CFO.

11 CFO SINK: Governor, just a couple of more  
12 things. One, if we could have Linda Charity stand  
13 up. Linda, you can just stand in your place, unless  
14 you would like to come up, if you wanted to say  
15 something. But I do want to recognize Linda Charity  
16 because we have had Linda assume the role of the  
17 interim director of the Office in very challenging  
18 times for our state and for our country.

19 And you, too, are a long-time public servant,  
20 and I just want to publicly thank you for your  
21 dedication and for your commitment to helping ensure  
22 that Tom has a very smooth transition. Thank you.

23 MS. CHARITY: Thank you.

24 (Applause)

25 CFO SINK: Thank you, Governor. One more item

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1           this morning just of interest and an item of  
2           recognition, which comes as a surprise to the person  
3           that we're recognizing, but many of the people here  
4           in Tallahassee and all over Florida who are public  
5           servants recognize that in our office, we are really  
6           blessed and benefited to have Dan Sumner as an  
7           attorney. Dan has been with state government for 30  
8           years probably, 30 years. And when I came here, I  
9           was just so impressed by these long-serving,  
10          dedicated, brilliant people and attorneys who have  
11          just dedicated their life to serving the citizens of  
12          Florida.

13                 And Dan came back, having served as general  
14          counsel before in the department, I believe under  
15          Commissioner Nelson, came back and served as my  
16          general counsel, and is now serving as a deputy  
17          chief of staff in my office.

18                 Our successor to Dan, my general counsel, Ben  
19          Diamond, came up with the idea of recognizing Dan in  
20          a very special way by establishing the Dan Sumner  
21          Fellowship in Law and Public Policy Internship. And  
22          so we went to Dan's alma mater, University of  
23          Florida, and yours, General McCollum, the Levin  
24          School of Law, and worked with Dean Jerry and  
25          others, with this idea that every six months we

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1 would put out for applications and we would choose a  
2 recent graduate from the University of Florida Law  
3 School to come and serve a six-month internship with  
4 us, learning about and being exposed at the highest  
5 levels to public service and government law. And  
6 certainly there's no better person to be a mentor  
7 than Dan Sumner and my general counsel, my young  
8 general counsel, Ben Diamond.

9 So this morning I do want to recognize our  
10 first recipient of the internship. And her name is  
11 Lindsay Roshkind, who just graduated the top of her  
12 class. She's got too many book awards that are too  
13 numerous to name. Outstanding. And, Lindsay, we  
14 are looking forward to recognizing you in a couple  
15 of weeks and having you serve as the first Dan  
16 Sumner fellow in state government, a program which  
17 we hope will continue for many years in the future.

18 So thank you for allowing me -- and, Lindsay,  
19 why don't you stand up so you can be recognized.

20 (Applause)

21 CFO SINK: Photo op. Dan, of course, is  
22 embarrassed because he didn't wear his tie to work.

23 (Photographs taken)

24 GOVERNOR CRIST: Our next Cabinet meeting will  
25 be Tuesday, August the 25th.



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1           GOVERNOR CRIST: And our first agenda item is  
2           Division of Bond Finance. Ben, good morning, Ben.

3           MR. WATKINS: Good morning, Governor, Cabinet  
4           members. Item Number 1 is approval of the minutes  
5           of the June 9th meeting.

6           GOVERNOR CRIST: Is there a motion?

7           CFO SINK: Move it.

8           ATTORNEY GENERAL McCOLLUM: Second.

9           GOVERNOR CRIST: Moved and seconded. Show the  
10          minutes approved without objection.

11          MR. WATKINS: Item Number 2 is a resolution  
12          designating bond counsel in connection with  
13          implementing a new financing program for the  
14          Department of Transportation. The recommendation  
15          before you is based on the results of our customary  
16          competitive selection process to engage bond  
17          counsel.

18          It involved distributing a request for  
19          proposal, having a selection committee established  
20          which graded the responses to the RFP, ranked the  
21          respondents, and the recommendation is the top  
22          ranked firm of Nabors Giblin for your consideration.

23          ATTORNEY GENERAL McCOLLUM: I move Item 2.

24          CFO SINK: Second.

25          GOVERNOR CRIST: Moved and seconded. Show it

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1 approved without objection.

2 MR. WATKINS: Item Number 3 is a report of  
3 award on the negotiated sale of \$323,445,000 of  
4 Turnpike Revenue Bonds. The bonds were sold at  
5 negotiated sale and involved the combination of both  
6 tax-exempt and taxable Build America Bonds. The use  
7 of the Build America Bond program, which entitles  
8 the State to receive a 35 percent interest payment  
9 from the federal government, a reimbursement for 35  
10 percent of our interest cost, results in a lower  
11 overall borrowing cost for the State of  
12 approximately 85 basis points, or .85 percent of 1  
13 percent.

14 And when you do the bond math on this size  
15 transaction, that results in interest savings to the  
16 State of some \$56.1 million. So the overall cost of  
17 the borrowing is approximately 4.35 percent.

18 GOVERNOR CRIST: Is there a motion on Item 3?

19 CFO SINK: Move it.

20 ATTORNEY GENERAL McCOLLUM: Second.

21 GOVERNOR CRIST: Moved and seconded. Show it  
22 approved without objection.

23 MR. WATKINS: Item Number 4 is a report of  
24 award on the master equipment financing agreement.  
25 Again, we used a competitive selection process. We

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1 solicited proposals for a credit facility which  
2 operates like a line of credit. It's \$30 million in  
3 the first year. There are two optional years for  
4 \$20 million in each year. We received five  
5 proposals in response to the RFP. We awarded to the  
6 low bidder, Bank of America Public Capital  
7 Corporation, at an indicative interest rate of 2.55  
8 percent.

9 ATTORNEY GENERAL McCOLLUM: I move Item 4.

10 CFO SINK: Second.

11 GOVERNOR CRIST: Moved and seconded. Show it  
12 approved without objection.

13 MR. WATKINS: And Item 5 is a report of award  
14 on the competitive sale of \$200 million in  
15 Right-of-Way Bonds for Department of Transportation.  
16 The bonds were sold at competitive sale at a true  
17 interest cost of approximately 4.73 percent.

18 CFO SINK: Move it.

19 ATTORNEY GENERAL McCOLLUM: Second.

20 GOVERNOR CRIST: Moved and seconded. Show it  
21 approved without objection. Thank you, Ben.

22 MR. WATKINS: Thank you, sir.

23

24

25

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1           GOVERNOR CRIST: Office of Insurance  
2 Regulation, Commissioner Kevin McCarty. Good  
3 morning, Commissioner.

4           MR. McCARTY: Good morning, Governor, members  
5 of the Commission. Governor, before I get into the  
6 agenda, if you would allow me, I'd like to take an  
7 opportunity to address the request made by the CFO  
8 about new capital and emerging markets in the  
9 Florida property market.

10          GOVERNOR CRIST: Certainly.

11          MR. McCARTY: The Office has received various  
12 requests over the last couple of years in forms and  
13 fashion about new capital, new companies and new  
14 lines of business. And we have gotten so many  
15 requests that we have put this information out on  
16 our website and have for the past 18 months.

17                 But today's report that we presented to you,  
18 which is a fairly large compilation of information  
19 presented to you this morning, goes into great  
20 detail. And upon conclusion of today's meeting, we  
21 will put that information on our website and make  
22 that available to the public as well.

23                 It's important to know, whenever we're talking  
24 about this kind of information, it's really dynamic  
25 information, and it's changing and we're adding new



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1 companies and new capital every month. And it  
2 really depends on the nature of the question and how  
3 the information is being presented.

4 By way of example, the CFO in her letter on  
5 July 28th gave us a document that was derived from  
6 our company application system, which listed new  
7 companies, new surplus lines and pending  
8 application. But that's just a snapshot in time.  
9 We have expanded and updated that list at the  
10 request of the CFO. The spreadsheet that's in your  
11 materials that we will walk through momentarily  
12 shows information about new property writers since  
13 January 1, 2006, to July 1, 2009.

14 And broadly speaking, you can put these into  
15 three categories. Those are new property writers,  
16 new companies that have come to Florida and been  
17 licensed by the Office of Insurance Regulation. The  
18 second group is property insurance writers who have  
19 been doing business in the state, perhaps writing  
20 commercial auto, but have subsequently added  
21 homeowners as a line of business. And lastly is a  
22 group called surplus lines companies, which are  
23 licensed out of state or out of the country and come  
24 to do business in Florida.

25 These categories of companies have been on our

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1 website, as I said in the past, delineating each  
2 category. As a matter of fact, in your materials, I  
3 presented you with some presentations that we have  
4 made to the Cabinet and to the Legislature  
5 delineating where that capital has been allocated.

6 Before I get into walking you through that, I  
7 want to take this opportunity to recognize Robin  
8 Westcott, our director, who has, and her very  
9 competent, capable staff, put this information  
10 together. This information is not in one database.  
11 We actually extracted this information from four  
12 databases. The most important one is what's called  
13 CORE, which is a company-related entities database.  
14 We also pulled information from the annual  
15 statements that are filed by companies by the  
16 National Association of Insurance Commissioners, as  
17 well as going back to the charter documents when the  
18 companies were licensed.

19 And, lastly, the information on the policy  
20 count is put in a format under the quarterly  
21 reporting system which the industry knows as our  
22 QUASR Collection Data System.

23 The first page of the report is property  
24 writers new to Florida since January 1. This page  
25 is the admitted carriers, which means they are

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1 insurers licensed to do business in Florida and  
2 they're subject to rate and form regulation. As you  
3 can see across the top, it gives the company name,  
4 the initial date they were licensed, the line of  
5 business included in their original application, the  
6 initial capital contribution, and finally the policy  
7 count that was provided in our QUASR system as of  
8 December 31st, 2008.

9 Just a note about the policy count, this count  
10 only includes personal lines and what we call  
11 commercial residential, which is apartment complexes  
12 and condo associations, homeowners associations.  
13 This is, as I said, required to be collected under  
14 Florida Statute 624.424. Premium information was  
15 derived from the NAIC database. It's not in the  
16 spreadsheet, but it is in the compilation of  
17 information provided in your booklet across all  
18 lines of business.

19 There are currently 29 companies on this page,  
20 which totals \$607 million in new startup capital.  
21 And this translates, if you -- I didn't add that  
22 column up -- to 615,000 homeowners policies in  
23 effect on the date December 31st, 2008. The \$607  
24 million in startup does include 97.5 billion that  
25 the Legislature had allocated in a program to

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1 provide incentives for new capital and administered  
2 through the State Board of Administration called  
3 startup capital funds. That translates to 509.5  
4 million in capital directly contributed from the  
5 private sector.

6 We have highlighted some of the companies in  
7 yellow, which denotes those who have participated in  
8 the Board of Administration's capital buildup  
9 program. Companies in green participated in  
10 Citizens take-out. And the companies in orange  
11 participated in both the capital buildup and the  
12 Citizens take-out. There are other companies that  
13 have participated in both of those programs, but  
14 these are only listing the ones that have been  
15 licensed or admitted since 2006.

16 The second page is the surplus lines writers  
17 new to Florida since January 1, 2006. There are 18  
18 entities listed on this page, with a contributing  
19 capital of point -- 4.37 billion in new capital.  
20 The Office does not collect policy information.  
21 However, the surplus lines office graciously  
22 provided the information as part of that summary  
23 sheet.

24 Although these entities are not admitted  
25 carriers, surplus lines companies play a very major



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1           role in Florida's marketplace, especially when it  
2           pertains to commercial market. Following the 2004,  
3           2005 season, there was not only a meltdown in the  
4           personal lines market, but for the first time we've  
5           seen a real retraction in the commercial  
6           marketplace. We didn't see this after Andrew, but  
7           we did see it after the \$36 billion in insured  
8           losses in 2004 and '5.

9                     As a matter of fact, this was the subject  
10           matter in a meeting of the Financial Services  
11           Commission in August of 2006, in which the  
12           Commission discussed the potential contraction of  
13           the surplus lines market and that they would be  
14           reducing their capacity committed to Florida.

15                    This development contributed to the decision by  
16           the Financial Services Commission to activate the  
17           Florida Property and Casualty Joint Underwriting  
18           Association to handle the potential influx of new  
19           policies. This entity subsequently has been folded  
20           legislatively into Citizens Property Insurance.

21                    This is a segue into another important role of  
22           the surplus lines market in Florida, which is  
23           keeping risks out of Citizens Property.  
24           Fortunately, the surplus lines market has rebounded  
25           from 2004 and '5. And currently there are only 610

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1 non-residential commercial policies in Citizens.

2 The surplus lines market's greatest  
3 contribution is commercial multiperil. The surplus  
4 lines companies represent about 25 percent of the  
5 overall share reported of commercial multiperil  
6 lines, excluding liability. In addition, since  
7 Citizens no longer insures high value properties,  
8 the surplus lines plays a key role in placing those  
9 insureds.

10 On the third page, the first three companies  
11 are companies that have stopped writing, have  
12 either -- for various business reasons, are no  
13 longer in business. The bottom portion of the 14  
14 companies are those companies that were already  
15 doing business in Florida in 2006 but expanded and  
16 added a line of business.

17 For instance, as the example I gave before,  
18 they could have listed themselves as commercial auto  
19 and then added mobile home or added homeowners. We  
20 don't count this in our calculation of new capital,  
21 since the capital is already here, it's just being  
22 redeployed or reallocated in other lines of  
23 business.

24 The attachments include detailed information  
25 about our admitted companies, as well as our surplus

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1 lines. And you'll see in the booklet there's  
2 general background information about the company,  
3 information about the company's business plan and  
4 how they plan to do business in Florida when they  
5 were licensed, Demotech and A.M. Best rating,  
6 financial information including surplus and  
7 premiums, management information and QUASR policy  
8 information for those companies who are required to  
9 list their policy count on a quarterly basis.

10 We also included the exhibit of premium and  
11 losses by line of business derived from the annual  
12 financial statements of the National Association of  
13 Insurance Commissioners. This is characterized as  
14 the state page.

15 GOVERNOR CRIST: Thank you, Commissioner. Any  
16 questions, comments? CFO?

17 CFO SINK: Well, yes, I do have a couple.  
18 Thank you for the information. This is what I asked  
19 for two weeks ago. And I just do have to say,  
20 Commissioner, that I'm very disappointed that this  
21 information was received by me at eight o'clock this  
22 morning. I felt like I was cramming for an exam and  
23 spending all of ten minutes in reviewing information  
24 that I had asked for two weeks ago. And it still  
25 stuns me that your office was working on this late

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1 last night, when you had two weeks to get the  
2 assignment done. And I do want to reserve the right  
3 to come back at a future meeting, when we've had  
4 more of an opportunity to review the data here, and  
5 ask more in-depth questions.

6 But it seems to me, in the brief ten minutes  
7 that I had to look at this, that we've had 29 -- and  
8 correct me if I'm wrong -- 29 new companies who have  
9 brought in a little over \$500 million in capital and  
10 then took advantage of about \$97 million in the  
11 surplus notes program. So the other \$4 billion,  
12 which we are pleased to have, as you said, here in  
13 Florida, are in the surplus lines companies, which  
14 we must acknowledge that this is an enormous amount  
15 of capital to bring into our state. We need it, but  
16 we have to acknowledge that these are companies that  
17 come into our state and can basically write any  
18 insurance they want to at any price, not regulated  
19 by the insurance commissioner.

20 And when you look at the policy counts on the  
21 surplus lines, it's something less than 10,000  
22 residential policies. So, when the commentary came  
23 up about the -- this all got started, I believe,  
24 when some legislators were hearing this \$4 billion  
25 number thrown around as being 4 billion in capital



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1           that was presumed to be in the residential market,  
2           that you have now clarified that that's not --  
3           wasn't exactly the case, that it's a half a billion  
4           in the admitted or regulated market that you control  
5           the rates on, from 29 -- from 29 companies.

6           So this summary, if I've got it right, is  
7           exactly the information that I think that the  
8           legislators were looking for clarification on. It  
9           just really disturbs me that -- I found it insulting  
10          that you would deliver this to my office at eight  
11          o'clock last night. I saw it at eight o'clock this  
12          morning, and I just happen to like to do my homework  
13          before I get here.

14          MR. McCARTY: Absolutely, I apologize for that.  
15          It was a huge effort to put that information  
16          together, but that's no excuse. And we would  
17          certainly welcome the opportunity to work with you  
18          and your staff to go over any details of that  
19          information.

20          And with regard to the surplus lines and the  
21          admitted market, that information has been  
22          delineated. It's specified on our website for 18  
23          months. There has never been a mixture or  
24          commingling. It has always been referred to as  
25          property and not as personal lines.

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1           ATTORNEY GENERAL McCOLLUM:  If I might,  
2           Governor.

3           GOVERNOR CRIST:  General.

4           ATTORNEY GENERAL McCOLLUM:  The surplus lines  
5           you described and you delineated them as ways to  
6           alleviate problems with Citizens.  Is that the basic  
7           value that we have here?  Obviously, we have a lot  
8           of capital that comes in.  This goes to mostly  
9           commercial, as you've described it.  But it also  
10          means Citizens isn't picking up that, and it would  
11          have been picking it up otherwise.  Is that not  
12          true?

13          MR. McCARTY:  Yes.  And those are two points  
14          that I think are important to make.  Surplus lines  
15          oftentimes, if they do write residential, write high  
16          value residential, and they individually underwrite  
17          each of those.  I had the opportunity when I was  
18          visiting with Lloyd's and sit with them, in the  
19          boxes, they were placing three different risks, one  
20          in Illinois, one in Florida, and one in California.  
21          So since Citizens is no longer writing high value  
22          policies to reduce their exposure, which makes  
23          sense, this market plays a very important role in  
24          taking care of that.

25          I also, at that meeting with the Lloyd's

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1           underwriters as well as their leadership team,  
2           expressed concern that Florida -- that they would  
3           not be committing as much surplus line capital to  
4           Florida as they had in the past. And Governor Bush  
5           was deeply concerned. As you know, we held public  
6           hearings around the state about the potential  
7           contraction of the market, which is why we -- the  
8           Financial Services Commission voted to activate a  
9           residual market for commercial.

10                   By our using our business development and  
11           bringing that capital, we were able to really keep  
12           that commercial residential market very small. And  
13           as I mentioned, it's 600 policies, which I think in  
14           large part is due to the infusion of large surplus  
15           lines companies.

16                   ATTORNEY GENERAL McCOLLUM: Now, you don't  
17           regulate the rates of these companies. They can  
18           charge what they will. And obviously in the  
19           commercial market, in the high end residential,  
20           people can afford to buy that. But the point is  
21           that it does alleviate a certain amount of burden.  
22           And, secondly, you do have some oversight over these  
23           companies that come in. You do permit them? I'm  
24           assuming there's some -- you don't use the term  
25           "licensing" here, but there's some regulatory

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1 function you perform with surplus companies; do you  
2 not?

3 MR. McCARTY: That is correct. Their rates are  
4 not regulated. They are -- go through a rigorous  
5 review process in terms of their business plan,  
6 trustworthy, competency, in order to be eligible to  
7 write on a surplus basis in our state. And the  
8 point about unregulated rates, the concern that  
9 Governor Bush had at the time was -- what their  
10 point they were making is, they weren't willing to  
11 commit capital to Florida at any price. And our  
12 concern was, after back-to-back hurricane seasons  
13 and the devastation in Florida, that the risk of  
14 ruin was so great that even unregulated companies'  
15 capital was not willing to do business.

16 And so I think it's a success story that we're  
17 able to attract new companies that are writing  
18 615,000 policies, as well as alleviating the  
19 pressure on Citizens in terms of the commercial  
20 risks.

21 ATTORNEY GENERAL McCOLLUM: What I take away  
22 from all of this is that while all of us should be a  
23 little disappointed that we don't have more infusion  
24 of homeowners' regular regulated rate companies  
25 coming in here with more capital, that is a known --



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1 and we've known that has been a problem, but we do  
2 have some, we have some new ones.

3 But my take-away is that we should be very  
4 pleased to see this amount of surplus writing here  
5 because it does mean that at least our business  
6 community can go with a greater degree of coverage  
7 than we would have had otherwise and wasn't existent  
8 at one point. And, secondly, Citizens is alleviated  
9 of a burden that otherwise would be falling on it,  
10 which is taxpayer related.

11 So I think you're presenting a very positive  
12 report, and I appreciate that, frankly. Thank you.

13 CFO SINK: Governor, can I just have a  
14 clarification, please?

15 GOVERNOR CRIST: CFO, sure.

16 CFO SINK: You mentioned -- would you just  
17 clarify? I thought I heard you say Citizens has 600  
18 commercial residential policies?

19 MR. McCARTY: That is correct.

20 CFO SINK: Six hundred condos.

21 MR. McCARTY: No, 600 non-residential  
22 commercial commercial, which is --

23 CFO SINK: True commercial.

24 MR. McCARTY: Right, mercantile, strip malls.

25 CFO SINK: I thought I heard you say that they

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1 had 600 commercial residential policies.

2 MR. McCARTY: No. They have substantially more  
3 than that, yes.

4 CFO SINK: Which just indicates that the  
5 commercial market is being handled in the private  
6 sector either by admitted or by these surplus lines  
7 companies. And I believe that the reason,  
8 obviously, that I asked for this report to be done  
9 is because we had gotten some inquiries from a  
10 couple of legislators.

11 And the context was that, in response to  
12 inquiries about whether or not -- the big issue here  
13 is whether or not the admitted market as we know it  
14 is going to be capable of absorbing the almost  
15 million State Farm policies.

16 So given that we have -- these companies have  
17 brought -- these 29 companies have brought in a half  
18 a billion dollars or \$500 million in capital, how  
19 much capital is it going to take for the combined  
20 market to have in order to absorb the million  
21 policies that are going to be going somewhere from  
22 State Farm?

23 MR. McCARTY: Well, what's not included in this  
24 list is the capital buildup funds that were not  
25 allocated to the companies formed since 2006 were --

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1           were allocated to other companies that are currently  
2           doing business. It's not just these companies that  
3           are going to pick up the slack. It will be other  
4           admitted capital, other admitted carriers in  
5           Florida.

6                     State Farm currently has over \$500 million for  
7           their policyholders, and we're going to need to grow  
8           capital to meet that demand.

9                     CFO SINK: Well, I think it is important,  
10          Governor, to me, as we go forward with this process  
11          that State Farm is going to be going through, we  
12          certainly cannot withstand a million more policies  
13          in Citizens. They need to be able to go to the  
14          private market. And I just encourage the  
15          commissioner to keep us apprised of the status of  
16          whether or not we're bringing in enough capital into  
17          the admitted market to absorb these State Farm  
18          policies outside of Citizens.

19                    MR. McCARTY: And I'd just like to point out in  
20          a couple of just documents that we included in the  
21          packet, that we did present, in the beginning of the  
22          year, new capital companies for the homeowners  
23          market, which did not include the surplus lines. So  
24          to be clear then, we were just talking about  
25          admitted carriers.

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1           And Belinda Miller presented to the House  
2           Insurance Committee a sheet that clearly delineated  
3           what was surplus lines and what was admitted  
4           carriers for the homeowners' market. But, again, if  
5           we harken back to the times in 2006, it was a  
6           troubled market across the state, across commercial  
7           as well as residential. So I see this as a very  
8           positive sign. We're not as far as we need to be,  
9           as you said, Madam CFO, and we certainly have more  
10          work and business to develop to bring new capital.

11           GOVERNOR CRIST: General?

12           ATTORNEY GENERAL McCOLLUM: I was just going to  
13          ask, and you almost answered that question, if we a  
14          plan to go after more capital, and for the State  
15          Farm pull-out, if they pull out and we have a  
16          shortfall, which we all know we do, what is the  
17          plan? How do we go after that? I assume that we  
18          can't absorb it, even though you've got other  
19          companies here that will.

20                   Is there an analysis going on in your shop  
21          right now about what we think we can, what these  
22          companies that already are licensed will be able to  
23          pick up versus what new capital you'll need and  
24          we'll need as a state and then any recommendations  
25          or process to develop those to the Legislature or to



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1 us as to where we're going to go or where you're  
2 going to go? If you don't need anything new, where  
3 are you going to go to get it or where are we going  
4 to go to get it?

5 MR. McCARTY: Yes, absolutely. And State Farm,  
6 in our order granting their withdrawal, would have  
7 to do it in a way that is not harmful or hazardous  
8 to the people of Florida. And they're concerned  
9 about that as well. And we're working very closely  
10 with State Farm on that exit strategy, how we  
11 distribute those policies. And more important, over  
12 what time period. You could absorb more policies if  
13 you do it over a two- or three-year period as you  
14 get new capital.

15 We have a number of companies who have been  
16 working with other capital markets about doing  
17 fairly significant capital infusion in some ongoing  
18 companies, companies that are not on this list but  
19 have been doing business in Florida in the past,  
20 about taking substantial pieces of that market, as  
21 well as smaller tranches to go to companies that  
22 have additional capacity in the reinsurance market.

23 ATTORNEY GENERAL McCOLLUM: Is it safe to  
24 assume or can you assure us that in this process, as  
25 you foresee it, there will not be dumping on

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1 Citizens; in other words, there will be enough  
2 private market capital to pick up the State Farm  
3 business as they move out in this process you've  
4 described?

5 MR. McCARTY: Well, it certainly is going to be  
6 a challenge to move this business. And, of course,  
7 if there are intervening factors over this time, if  
8 we were to have a severe catastrophic event and if  
9 there's a contraction in the reinsurance market,  
10 that obviously will complicate the exit strategy  
11 from the market.

12 But, again, I emphasize, our office is working  
13 closely to ensure that that -- those go into the  
14 private market. And the original plan, which was to  
15 put those policies in Citizens, we denied that piece  
16 of it because we do want to maximize the private  
17 sector market as much as possible.

18 ATTORNEY GENERAL McCOLLUM: You mentioned the  
19 reinsurance question. If we have a bunch of storms  
20 coming up, that may affect the ability of the  
21 regular homeowner policy writers to get reinsurance  
22 at any rate, either from our Cat Fund or otherwise,  
23 right?

24 MR. McCARTY: That is correct.

25 ATTORNEY GENERAL McCOLLUM: And if they can't

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1 get reinsurance, they're not going to be bringing  
2 that capital in here, right?

3 MR. McCARTY: Well, there is a finite amount of  
4 capital after an event. And it's one of the  
5 problems with insuring things like hurricanes,  
6 because the events are so extreme that they cause a  
7 great deal of volatility in the market. We've seen  
8 this after Andrew. We've seen this after Katrina.  
9 You have the contraction of the primary market, but  
10 you have a contraction of the reinsurance market.

11 In order to recapitalize, there has to be a  
12 substantial risk of return -- rate of return to  
13 incent that capital to come in, which caused the  
14 great increases in prices we saw in 2006, which is  
15 why the Legislature expanded the Cat Fund to  
16 moderate the volatility in that.

17 Ultimately -- and we've said this before and  
18 have been saying it for a number of years -- is that  
19 we're going to have to somehow be able to spread  
20 this kind of volatility, and the only one that can  
21 absorb that would be the federal government and in  
22 some form of fashion having a federal backstop that  
23 moderates that volatility after a catastrophic  
24 event.

25 Insurance companies aren't allowed to

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1           accumulate catastrophe reserves because they're  
2           subject to the insurance -- the revenue code. So we  
3           have -- we have public policy in this country that  
4           is contrary to the development of sufficient capital  
5           to address these kinds of issues.

6           ATTORNEY GENERAL McCOLLUM: Well, as you know,  
7           Commissioner, all of us up here have been working  
8           diligently with you and others to try to create such  
9           a backstop. It's been very frustrating. We all  
10          pray we don't have a bad hurricane season. So far  
11          the prognostication is good, but you never know.  
12          But if we don't, I assume that we'll be better off  
13          in terms of seeing more capital come in here. And  
14          so we'll continue to work with you, I'm sure, on all  
15          of this. I know I will.

16          MR. McCARTY: I appreciate very much your help  
17          in assisting in this matter.

18          GOVERNOR CRIST: Commissioner, thank you.  
19          That's a very good report, and I'm very pleased that  
20          so many new companies are coming into Florida. What  
21          I also understood that your report indicated was a  
22          decline in the rates that consumers are having to  
23          pay over the past couple of years in our state. Do  
24          you have an analysis of that?

25          MR. McCARTY: I can give you a breakdown on the



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1 analysis of that. As you know, we had substantial,  
2 in some cases a hundred percent rate increases going  
3 into special session in 2007. The expansion of the  
4 Florida Hurricane Catastrophe Fund allowed the State  
5 to pass on savings of about 15.9 percent.

6 But more importantly, it stemmed the tide of  
7 new rate filings that were coming in, which has  
8 provided some rate stability. But I think more  
9 importantly is the Legislature adopted what the  
10 Financial Services Commission adopted, which was  
11 discounts for property owners who have mitigated  
12 their homes. So many consumers in the state of  
13 Florida not only are paying lower rates but they're  
14 paying lower premiums because they invested in their  
15 homes to mitigate them against future damages.

16 GOVERNOR CRIST: Very good.

17 MR. McCARTY: Agenda Item Number 1 is request  
18 approval for the minutes for June 9th meeting of the  
19 Financial Services Commission.

20 CFO SINK: Move approval.

21 ATTORNEY GENERAL McCOLLUM: Second.

22 GOVERNOR CRIST: Moved and seconded. Show the  
23 minutes approved without objection.

24 MR. McCARTY: Item Number 2 is request for  
25 approval to adopt Proposed Rule 690-164.040,

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1 determining reserves for liability. This rule  
2 conforms Florida with the NAIC guidelines relating  
3 to reserves for preneed policies.

4 ATTORNEY GENERAL McCOLLUM: I move Item 2.

5 CFO SINK: Second.

6 GOVERNOR CRIST: Moved and seconded. Show it  
7 approved without objection.

8 MR. McCARTY: Item Number 3 is request for  
9 approval to adopt Proposed Rule 690-163.0075, .009  
10 and .011, relating to credit life and credit  
11 disability. These are two major changes of the  
12 rules to comply with changes that were adopted by  
13 the Legislature in 2008.

14 CFO SINK: Move it.

15 ATTORNEY GENERAL McCOLLUM: Second.

16 GOVERNOR CRIST: Moved and seconded. Show Item  
17 3 approved without objection. Thank you very much,  
18 Commissioner.

19 MR. McCARTY: Thank you for the opportunity to  
20 be here.

21 GOVERNOR CRIST: Keep up the good work.

22 MR. McCARTY: Thank you, sir.

23

24

25

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1 GOVERNOR CRIST: Power Plant Siting Board.

2 Secretary Sole. Good morning, Secretary.

3 MR. SOLE: Governor, Cabinet, good morning.

4 ATTORNEY GENERAL McCOLLUM: Good morning.

5 MR. SOLE: Item Number 1, submittal of the  
6 minutes of the January 27th, 2009, Cabinet meeting.

7 GOVERNOR CRIST: Is there a motion on the  
8 minutes?

9 ATTORNEY GENERAL McCOLLUM: I move Item 1.

10 GOVERNOR CRIST: I'll second it. Show the  
11 minutes approved without objection.

12 MR. SOLE: Item Number 2, this is a request for  
13 the Siting Board to adopt the administrative law  
14 judge's recommended order providing for full and  
15 final certification of Progress Energy Florida's  
16 construction and operation and maintenance of a  
17 nuclear power plant located in Levy County. This  
18 request also includes certification of facilities  
19 associated with the plant, including some access  
20 roads, water intake structures, as wells as nine  
21 individual transmission line corridors, totaling  
22 some 179 miles.

23 Governor and Cabinet members, this the first  
24 nuclear power plant that has been to the Board in  
25 over 30 years. The last one was in 1976, certified

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1 for the St. Lucie County project. I want to give  
2 you a brief history. Progress Energy submitted  
3 their site certification application to the  
4 Department on June 2nd, 2008. This application  
5 proposes two units generating some 1100 megawatts  
6 each, totaling 2200 megawatts of nuclear power for  
7 the state of Florida. The Public Service Commission  
8 approved the determination of need on August 12,  
9 2008.

10 And I do want to applaud Progress Energy of  
11 Florida for the outreach effort they did. They far  
12 exceeded the noticing requirements in the Power  
13 Plant Siting Act. They provided some 10,000  
14 individual notices to home owners. They provided 12  
15 local papers with notices. They moved forward with  
16 six public hearings.

17 And in February and March of 2009, the  
18 administrative law judge held certification hearings  
19 in Inglis, Crystal River, Lutz, Brooksville and the  
20 Villages. Several state agencies are parties to  
21 that proceeding. I think it's some 17 state and  
22 local agencies. And there were several intervenors  
23 in the process. However, all intervenors withdrew,  
24 with the exception to the Southern Alliance for  
25 Clean Energy.



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1           On May 15th, Judge Johnston provided his order,  
2           which recommended that the Siting Board enter a  
3           final order, which would approve Progress Energy's  
4           application for certification to build and operate  
5           the two-unit nuclear power facility, additionally  
6           recommending the nine individual transmission line  
7           corridors.

8           One note I think is worthy of pointing out is  
9           this approval of certification also includes a  
10          requirement for Progress Energy to cease operations  
11          of its coal-fired plants in Crystal River by  
12          December 2020.

13          In addition to the Siting Board approval, this  
14          project will require several other federal permits,  
15          including the National Pollution Discharge  
16          Elimination permit, as well as an Army Corps of  
17          Engineers permit for wetland impacts, and finally  
18          approval by the Nuclear Regulatory Commission.

19          While the Siting Board is familiar with some of  
20          the distinct differences between the site  
21          certification and federal permits, I think it's  
22          really important that we point out the additional  
23          distinction in this case because we're dealing with  
24          a nuclear power plant.

25          It is basically -- the NRC, the Nuclear

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1 Regulatory Commission, has sole jurisdiction as it  
2 relates to the nuclear safety issues associated with  
3 this project. And this is a provision of the  
4 supremacy clause in the United States Constitution.  
5 So their jurisdiction dealing with nuclear safety is  
6 basically from transportation all the way to final  
7 disposal. We are preempted from engaging in that  
8 discussion, from a regulatory standpoint.

9 I want to give you a very brief general  
10 overview of the issues. The plant is located on a  
11 3,000-acre site in Levy County. Of those 3,000  
12 acres, the actual electrical generating facility is  
13 going to be roughly on 300 acres of that facility.  
14 There's a cooling water withdrawal that will be  
15 ultimately from the Gulf of Mexico. The intake pipe  
16 is going to be along the Cross Florida Barge Canal.

17 That cooling water demand is some 122 million  
18 gallons a day, which is a sizable demand. There's  
19 also a smaller 1.5 million gallon per day freshwater  
20 source, and that's used for potable water on site,  
21 plant operations, as well as fire suppression  
22 equipment.

23 The project does have wetland impacts. The  
24 site itself was largely silviculture activity, so  
25 it's a planted pine facility, where they've

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1           conducted silviculture for several years. However,  
2           they are officially wetlands. And I think it's  
3           worth noting that as part of the project analysis,  
4           the worst case scenario, we estimate some 765 acres  
5           of potential wetland impacts.

6           But I want to be clear. As part of the  
7           post-certification efforts, the Department of  
8           Environmental Protection will work diligently to  
9           minimize the total wetland impacts associated with  
10          this project and the transmission lines. Also,  
11          because there's multiple jurisdiction, the Corps of  
12          Engineers will be also participating in evaluation  
13          of wetland impacts. We will coordinate with them on  
14          any final mitigation. I will point out that  
15          Progress Energy did identify adequate mitigation to  
16          offset the unavoidable wetland impacts of this  
17          project.

18          Finally, there is some saltwater intrusion  
19          questions as a result of withdrawing some 122  
20          million gallons a day. There was a question raised  
21          as to whether there would be saltwater intrusion  
22          impacts into the Old Withlacoochee River. I can  
23          assure you that the administrative law judge spent a  
24          lot of time in his order on this issue and during  
25          the hearings. And in summary, I would say that the

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1 Cross Florida Barge Canal is largely already  
2 influenced by the Gulf of Mexico. It already has a  
3 saline component to it because of the tidal effects  
4 of the Gulf of Mexico.

5 And based upon review, it is not expected that,  
6 while there will be some saline increases in the  
7 Cross Florida Barge Canal, it is not expected to  
8 have a significant impact on the freshwater  
9 provisions of the Upper Old Withlacoochee River.

10 Finally, the Fish & Wildlife Conservation  
11 Commission, as part of the certification conditions,  
12 will also continue to monitor that issue, as well as  
13 the South Florida Water -- or Southwest Florida  
14 Water Management District monitoring the groundwater  
15 conditions to ensure that we don't have saltwater  
16 intrusion problems. And if any are identified, they  
17 need to mitigate them.

18 Transmission lines, there are, again, nine  
19 corridors of transmission lines. Some crossings of  
20 state lands do exist, and leases and easements will  
21 be obtained post-certification.

22 That's a very quick overview. Sorry for doing  
23 that so quick. But we do have several speakers, and  
24 I want to get to them. Governor, I'd like to go  
25 ahead and have the first speaker come up. This is



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1 Jeff Lyash, who is the vice-president of Progress  
2 Energy. Jeff.

3 GOVERNOR CRIST: Good morning.

4 MR. LYASH: Good morning. Thank you, Mr.  
5 Secretary. Good morning, Governor, Cabinet members.  
6 Thank you for the opportunity to speak to you here  
7 today. And I'd like to start off by echoing  
8 something that Secretary Sole just said. This  
9 process that brings us here today for the site  
10 certification was an exhaustive process, very well  
11 done by the State, participation by all the state  
12 agencies.

13 The public outreach implemented here by the  
14 State, by the administrative law judge and  
15 Progress -- and also by Progress Energy was  
16 extensive. And I think it informed the process. It  
17 added perspective to it. And at the end, it's  
18 impacted what you see here today in a very positive  
19 way. So our experience with this process,  
20 particularly the public outreach segment of it, I  
21 think, is very beneficial.

22 Developing reliable power, carbon-free power is  
23 important to all of us. Florida is the fourth  
24 largest state, ranks third nationally in per capita  
25 energy consumption. Progress Energy's job is to

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1 ensure that the electrical system here serves the  
2 customers in a reliable fashion, as reliable in 60  
3 years as it does today. The Levy nuclear project is  
4 an important part of Florida's energy future.

5 Florida residents are fortunate that their  
6 leaders recognize the importance of planning for the  
7 future. The Governor and the Legislature took  
8 action to ensure Florida moves forward responsibly  
9 by establishing a progressive policy aimed at  
10 ensuring a more diverse energy portfolio in Florida.

11 This policy, the Renewable Technology and  
12 Energy Efficiency Act, supports investment in energy  
13 efficiency, renewables and in new nuclear power  
14 plants. This will help decrease our dependence on  
15 fossil fuel, and it will reduce our carbon  
16 intensity, our greenhouse gas intensity over time.

17 Nuclear power is an important part of Progress  
18 Energy's balanced solution for Florida's future  
19 energy needs. State-of-the-art power plants, along  
20 with our ongoing and substantial investments in  
21 energy efficiency and renewable technologies are  
22 critical to meeting the State's goals of becoming  
23 more energy independent, reducing price volatility  
24 associated with fossil fuels, and addressing global  
25 climate change.

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1           Adding these two new nuclear units will have  
2           many other beneficial effects for Florida and our  
3           customers. We estimate that upon completion of  
4           these units, the two units will save customers  
5           approximately a billion dollars a year by lowering  
6           fuel costs and will in a similar manner avoid  
7           significant carbon dioxide greenhouse gas emissions  
8           and the related cost of those emissions under any  
9           carbon policy that the federal government or the  
10          State sets.

11          In addition, once the Levy County reactors come  
12          on line, we've committed to close the two oldest  
13          coal plants at our Crystal River energy complex. So  
14          by bringing on carbon-free generation, we're able to  
15          retire our most carbon-intense generation. This  
16          will reduce carbon dioxide emissions by more than  
17          five million tons a year. That's equivalent to  
18          removing more than 830,000 cars from Florida's  
19          roads.

20          That combined with our investments in energy  
21          efficiency and renewable energy will set us on a  
22          glide path that reduces our carbon intensity and our  
23          greenhouse gas emissions toward what I believe are  
24          all of our long-term goals.

25          The plant in its construction will also give

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1 the State and Levy County a much needed economic  
2 boost. The University of Florida is currently  
3 conducting an economic impact study of the project.  
4 Today we estimate that this project will generate  
5 between six hundred and nine hundred million dollars  
6 of annual average direct and indirect economic  
7 stimulus for Florida.

8 The construction process alone is expected to  
9 generate 3,000 or more jobs of various types and  
10 durations, with a significant multiplier effect in  
11 the community for goods and services. The proposed  
12 two-unit facility will create 800 full-time,  
13 high-paying green jobs and generate another 1,200  
14 indirect jobs in the community.

15 At Progress Energy we're committed to securing  
16 Florida's energy future and to doing it in an  
17 environmentally sound and cost-effective manner.  
18 Today is another positive step in securing Florida's  
19 energy future. It's in our customers' best  
20 interest. This investment in state-of-the-art  
21 carbon-free generation is something that we'll  
22 benefit from for generations. Thank you very much  
23 for the opportunity.

24 GOVERNOR CRIST: Thank you. General?

25 ATTORNEY GENERAL McCOLLUM: May I ask a



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1 question or --

2 GOVERNOR CRIST: Of course.

3 ATTORNEY GENERAL McCOLLUM: -- make a comment?

4 First of all, I want to commend Progress Energy for  
5 this proposal. In the broad sense, I think that we  
6 have long needed nuclear power plants to be built in  
7 this country and for Florida to have a lead that  
8 you're taking, and your associate company, or  
9 related I guess, not in business but in the sense of  
10 power, FP&L is doing the same, as I understand it.

11 Secondly, I wanted to ask a question about  
12 coming on line. It looks like the coal plants will  
13 be down by 2020. Does that mean that you would  
14 project that the nuclear plant you're proposing  
15 would be completed and on line by when, 2018, 2020?  
16 What's the projection.

17 MR. LYASH: We're in the process of  
18 reevaluating the schedule right now to reflect a  
19 position that the Nuclear Regulatory Commission has  
20 taken that impacts our in-service date by about 20  
21 months. We expect that date from its original date  
22 to slide by at least that 20 months, perhaps a  
23 little more as we renegotiate supply contracts. But  
24 that's a process that we're actively engaged in.  
25 And we'll complete that between now and the end of

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1 the year and set a new firm in-service date.

2 ATTORNEY GENERAL McCOLLUM: But it's sometime,  
3 somewhat distant in the future. This is 2009. So  
4 we're ten years away from this plant, or more, even  
5 coming on line or not?

6 MR. LYASH: It takes about ten years to build a  
7 plant. It's about five years for licensing and  
8 about five years for construction. We're into that  
9 process today. We originally had targeted these  
10 plants for in-service in 2016 and 2017. Given the  
11 20-month delay, that puts them in the 2018, 2019  
12 time frame. So we would expect them to be in  
13 service by 2020.

14 ATTORNEY GENERAL McCOLLUM: I wasn't trying to  
15 lock you in, but I just want to get people listening  
16 to this to have some feel for the length of this  
17 process. It's a long process. And then the last  
18 question I have relates to the shutdown of the coal  
19 plants, the two that you're talking about. Will the  
20 amount of new electricity generated by this power  
21 plant, the nuclear power plant, when it comes  
22 on line, exceed the amount of electricity being  
23 produced by those two coal plants that are being  
24 shut down?

25 MR. LYASH: Yes. We expect these two nuclear

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1 plants to produce at least 2200 megawatts of  
2 generation. Our two Crystal River plants  
3 collectively are in the neighborhood of about 800  
4 megawatts of generation. So this allows us to  
5 retire those units and replace that with carbon-free  
6 generation, and also to add additional carbon-free  
7 generation that we can use to serve growth in the  
8 state.

9 ATTORNEY GENERAL McCOLLUM: And the existing  
10 nuclear plant at Crystal River will continue to be  
11 functional for some time to come, I presume.

12 MR. LYASH: Yes, it will. As a matter of fact,  
13 the life of that plant was originally licensed for  
14 40 years. We are in the process today of pursuing a  
15 plant life extension to extend the life of that  
16 plant by an additional 20 years. And we are also in  
17 the process of doing the engineering and licensing  
18 work to increase its output by 15 percent. So this  
19 is essentially an investment in additional new  
20 nuclear through uprate and life extension of that  
21 facility.

22 ATTORNEY GENERAL McCOLLUM: Well, again, I want  
23 to commend Florida Progress for this initiative. I  
24 think we are long overdue in this country for having  
25 more nuclear power and certainly in our state of

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1 Florida with the needs we have. It's a very, very  
2 important project. So thank you.

3 MR. LYASH: Thank you, General.

4 GOVERNOR CRIST: I want to thank you, too. It  
5 was a great presentation, appreciate you being here  
6 today and giving us that thorough review and outlook  
7 of what this project will be like and the economic  
8 impact that it will have, not only to Levy County  
9 but to Florida in general, the job production that  
10 it will create, the clean energy that it will  
11 create, and the diversification of energy and our  
12 dependence on foreign oil. So I appreciate you  
13 being here very much.

14 MR. LYASH: Thank you, Governor.

15 GOVERNOR CRIST: Thank you.

16 MR. SOLE: Governor, our next speaker is  
17 Representative Rehwinkel Vasilinda.

18 GOVERNOR CRIST: Representative, good morning.

19 MS. REHWINKEL VASILINDA: Good morning.

20 GOVERNOR CRIST: I just got a letter from you.

21 MS. REHWINKEL VASILINDA: You did, yes, sir.  
22 Yes, I did send a letter to CFO Sink and you,  
23 Governor, and you, General, this morning, and I  
24 couldn't let this opportunity pass by, and I  
25 appreciate you giving me this opportunity to speak.



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1 I wanted to express my grave concerns about energy  
2 policy as we're going forward in this state and  
3 nuclear power as being a big part of that. We need  
4 to give renewables, truly clean renewables, some  
5 room to breathe.

6 I'm concerned about the cost with regard to  
7 this nuclear power plant. I'm concerned about the  
8 time that it's going to take to build this nuclear  
9 power plant. I'm concerned about the number of  
10 jobs. I'm concerned about the danger, and I'm  
11 concerned about the legacy that we leave our  
12 children and our children's children.

13 Talking about the money. If we were to give  
14 the cost recovery money that we are allowing  
15 Progress Energy to take to true renewables, like  
16 solar, like wind, like wave action, the things that  
17 lay light on the land and that Florida really needs,  
18 I believe that we could really give renewables a  
19 jumping-off point that would be worthy of where  
20 Florida should be.

21 I also believe that with regard to the time, in  
22 ten years, we have no idea what true renewables  
23 could bring to this state, with solar and wind and  
24 wave. Ten years is a very long time. I was told in  
25 2001, on 9/12, when I woke up and said I really

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1 believe we needed an energy policy in the country,  
2 that solar was not going to work in the state of  
3 Florida because we didn't have enough sun. I was  
4 told by people who were supposedly in the know.

5 I went off and did what I needed to do with my  
6 family and kept thinking about it. And then I heard  
7 that Germany, not a country known for its sunshine,  
8 New Jersey and London were working on nuclear -- I  
9 mean, excuse me, solar in a very big way. I've also  
10 heard that Florida doesn't have enough wind. And I  
11 challenge those ideas because I've heard it before.  
12 So I'm here to urge you all to think long and hard  
13 about this.

14 As far as the danger, I'm sophisticated enough  
15 to know that we have come very far in making the  
16 nuclear power plants hardened. I got that. But  
17 there is still transportation. There is still the  
18 idea that we are leaving a legacy of waste. It is  
19 not truly clean. Just because it's carbon neutral  
20 or getting there doesn't mean that we're not leaving  
21 waste. Even though we're recycling, there is still  
22 waste. There's waste that then has to be  
23 permanently disposed, and at this point in another  
24 state.

25 So we need to be fair to that other state and

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1 other states that may be taking our permanent  
2 disposal of the waste. We have not figured out how  
3 to do that, and I'm concerned about that. I'm also  
4 concerned about the transportation and the problem  
5 with that, with regard to how we're going to take  
6 that across state lines.

7 So I just want to read the last paragraph of my  
8 letter, and then I'll let others speak. Nuclear  
9 production, transportation across state lines and  
10 permanent disposal are fraught with potential legal  
11 liability and risk to our national security. We  
12 once again leave a legacy of unfinished and  
13 dangerous business for our children and their  
14 children's children to face. Even with the ability  
15 to recycle some of the waste, dangerous waste will  
16 remain for thousands of years. That is a problem  
17 that, although I'm sure scientists have been working  
18 on for decades, and I know this, we have still not  
19 solved. It is unfair and unjust to pawn yet another  
20 problem off on others in the next generation. Thank  
21 you for your time.

22 GOVERNOR CRIST: Thank you, Representative.

23 MR. SOLE: Our next speaker is Dan Hilliard,  
24 Withlacoochee area residents. Dan.

25 GOVERNOR CRIST: Good morning, sir.

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1           MR. HILLIARD: Members of the Siting Board, I  
2 bring you greetings from the Nature Coast and wish  
3 you a good morning. My name is Dan Hilliard. I  
4 represent the views of the Withlacoochee area  
5 residents, and I carry a request from our community  
6 asking for your thoughtful consideration of an  
7 action that will serve the long-term economic  
8 interest of the State's and the citizens of Florida.

9           I'd like to give you a brief overview of the  
10 area of our interest. In the north or upper right  
11 corner of the image, you'll see Lake Russo, the thin  
12 channel of the Withlacoochee River, which discharges  
13 in the lower reaches of the Big Bend Seagrasses  
14 Preserve, and the Cross Florida Barge Canal.

15           When the canal was constructed, it severed  
16 Withlacoochee River in this vicinity right here. As  
17 it severed that river, it divided the system flows  
18 that have supported that system for millennia. The  
19 power plant project was widely supported in the  
20 community of Inglis, and a very substantial portion  
21 of the community supports another idea as well, the  
22 restoration of the Lower Withlacoochee River. The  
23 two goals need not interfere each other.

24           The system flows in the river have been stable  
25 over many, many years. Approximately 70 percent of



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1 those flows now are discharged into the lower river.  
2 The balance are discharged into the barge canal via  
3 the upper segment of the lower river. That includes  
4 a spring flow of approximately 70 cubic foot per  
5 second. To give you a perspective, that flow volume  
6 would provide approximately 25 percent of the daily  
7 demand for Tampa Bay Water Authority.

8 Regulation by the Corps of Engineers constrains  
9 manipulation of the surface waters east of the  
10 containment structure. The Corps requires  
11 maintenance of a specific level in the lake.  
12 Therefore, discharging greater amounts into the  
13 lower river to benefit it will violate these  
14 requirements.

15 A closer image of the area in question, the  
16 spring that I mentioned is up just below the dam at  
17 the -- in the upper segment of the lower river.  
18 You'll see the barge canal, locks, the bypass  
19 spillway, which feeds the lower segment of the river  
20 at this time. Also in this image you'll see at the  
21 top, the locks, the half end that says proposed  
22 CWIS. That's the cooling water intake structure.

23 At the bottom of the image you'll see what  
24 we're recommending as an alternative. Condition J  
25 of the proposed conditions of certification provides

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1 for processes which the State may use at such time  
2 that it desires to modify this permit and address  
3 the issues presented to you in this discussion. If  
4 such endeavors are untaken, it's clear that the CWIS  
5 will not be easily or cheaply relocated, for it is a  
6 very substantial structure and very expensive.

7 If the State acts to restore flows to the lower  
8 river or preserve waters of the state, it will be  
9 necessary to install a seawater barrier between the  
10 river channel and the Gulf of Mexico. At that point  
11 it will be necessary to relocate the CWIS in whole  
12 or part.

13 We are here today requesting consideration of  
14 an alternative location which would allow at some  
15 future date restoration of the lower river system  
16 flows, eliminate interference to plant operations  
17 and further expense to the ratepayers. Governor  
18 Crist, you have lent great support to Everglades  
19 restoration and that of the Ocklawaha River. The  
20 need for your actions stem from decisions made many  
21 years ago that we now know were ill-conceived and  
22 detrimental. Your effort is laudable and deeply  
23 appreciated by the people of Florida.

24 Your support must surely stem in part from  
25 recognition of the economic value of these natural

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1 systems. We view the Withlacoochee River system in  
2 the same fashion. Today we ask you and members of  
3 the Cabinet for the same commitment, to provide for  
4 reasonable expectation and opportunity to restore a  
5 valuable natural system and conserve waters of the  
6 state for future beneficial use.

7 During the era of World War II the lower  
8 Withlacoochee River presented in this fashion. We  
9 have no expectation of seeing that state again.  
10 Today it presents as a system in chronic decline due  
11 to reduction in system flow. We feel strongly this  
12 is not only undesirable, it is unnecessary. We ask  
13 today that each of you consider modifications to the  
14 conditions of certification or use other powers  
15 vested under your authority to provide hope for the  
16 future rather than condemnation to eternal  
17 degradation of this valuable natural system.

18 We do not think it is necessary the State  
19 sacrifice natural resources to bring this project to  
20 fruition. Due to the delay imposed by NRC, we have  
21 an opportunity to step back and reconsider the best  
22 interest of the people, economic development and the  
23 State's commitment to resource protection. We ask  
24 you now to preserve this opportunity for the  
25 long-term benefit of economic prosperity and

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1 environmental protection for our community and the  
2 state of Florida. I thank you very much. Do you  
3 have any questions?

4 GOVERNOR CRIST: CFO? I like the gator.

5 CFO SINK: Maybe, Secretary Sole, you could  
6 step up and help me out here because I'm trying to  
7 understand what the request is. Is the gist --  
8 because this is new to me. Is the gist of the  
9 request to move the water intake site so that there  
10 perhaps is an opportunity to restore the  
11 Withlacoochee? Have I got it right?

12 MR. SOLE: Yes, ma'am. You got it right. One  
13 of the issues Mr. Hilliard and the Withlacoochee  
14 Area Residents raise is a concern about whether or  
15 not the current location of the cooling water intake  
16 structure would interfere with the opportunity for  
17 future restoration of the Withlacoochee River.

18 The way the Department through the  
19 certification process handled this, as well as with  
20 the administrative law judge, is we did put a  
21 certification condition that says if restoration is  
22 pursued, the Department, or the Siting Board in this  
23 case, can change certification provisions to  
24 identify changes to the system to allow for the  
25 restoration of the Withlacoochee River.



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1           So we have acknowledged that there may be a  
2           time in the future that restoration, either  
3           conducted by Southwest Florida Water Management  
4           District, the Department or Florida as a whole, be  
5           pursued, and we wanted to make sure there was a way  
6           to get back to this certification to say, ooh, if  
7           the intake structure is in the way, let's figure out  
8           a way to move it.

9           CFO SINK:   And Governor.

10          GOVERNOR CRIST:   Sure.

11          CFO SINK:   So when would that be?  I mean,  
12          we've already heard this is a 10- or 12-year  
13          project.  When is kind of the drop-dead date of, oh,  
14          we've already built it and it's too late?  How much  
15          time is there?

16          MR. SOLE:   Well, there's always an opportunity  
17          to modify certification as we move forward.  The  
18          cooling water --

19          CFO SINK:   And who does that?  Excuse me.  Who  
20          does that?  Does that go back to the administrative  
21          law judge or to DEP?

22          MR. SOLE:   It depends on the extent of the  
23          modification.  It can be done by the Siting Board  
24          without going back to the administrative law judge  
25          itself.  If it's significant, it would probably have

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1 to go through that hearing process. In this case  
2 what we're talking about is four pipes and the  
3 headworks of that pipe, of those pipes. They're  
4 large, 56-inch pipes, if I'm not mistaken. And if  
5 there is a need to basically relocate those pipes  
6 downriver, that is something that as far as I'm  
7 concerned, is doable. There are numerous pipeline  
8 movements that we have to do in association with  
9 Everglades restoration. So it is something that we  
10 would, I believe, be able to accommodate in the  
11 future if restoration of Withlacoochee River were  
12 pursued.

13 Unfortunately, and I think this is a sore point  
14 with Mr. Hilliard, currently we're not pursuing  
15 restoration of the Withlacoochee River because of  
16 some pragmatic issues, issues associated with the  
17 lower Withlacoochee River floodplain condition. If  
18 we added much more water to the lower Withlacoochee,  
19 I think we'd have significant flooding issues to  
20 unfortunately what has occurred in development in  
21 that reach.

22 So it's a challenge, but I do want to assert  
23 that we have tried to accommodate the concerns of  
24 Mr. Hilliard and the Withlacoochee Area Residents in  
25 identifying opportunities to acknowledge that if we

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1 pursue restoration, we have an option.

2 CFO SINK: Okay. That was helpful. Thank you.

3 ATTORNEY GENERAL McCOLLUM: I have one  
4 follow-up question, Mike, for you particularly. You  
5 were running away. Mr. Hilliard can answer it, too.

6 MR. SOLE: I apologize, General.

7 ATTORNEY GENERAL McCOLLUM: Has there been a  
8 study? Is there a restoration study that we could  
9 look at or see? Is this something that happened ten  
10 years ago? Is this something you've done in-house  
11 that shows that flooding would occur? Is there  
12 anybody that has put together a restoration plan of  
13 any sort?

14 MR. SOLE: No, sir. To my knowledge -- and I  
15 know we have the Southwest Florida Water Management  
16 District here. I want to make sure I don't answer  
17 inappropriately. The answer is no, correct?

18 We do have floodplain maps that identify, I  
19 think, the original floodplain of the Withlacoochee  
20 River before the Cross Florida Barge Canal and the  
21 conditions today. And if we actually did a  
22 full-fledged -- and I'm not suggesting that's the  
23 request. But if we did a full-fledged restoration,  
24 I think pragmatically we couldn't do that. But  
25 there's still opportunities for hydrologically

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1 connecting the old Withlacoochee River or the upper  
2 Withlacoochee to the lower.

3 ATTORNEY GENERAL McCOLLUM: But a creative  
4 legislator could find a way -- Mr. Sole, a creative  
5 legislator could find a way to get some resources  
6 and get a study done of this. I think that's  
7 probably what's missing here, because nobody could  
8 proceed with restoration without knowing what is  
9 involved in it. And that has not happened. Is that  
10 right, Mr. Hilliard? That has not happened, right?

11 MR. HILLIARD: I respectfully disagree.

12 ATTORNEY GENERAL McCOLLUM: All right. Please.

13 MR. HILLIARD: Thank you, sir. The lower river  
14 and conditions in that river have been under  
15 substantial study since approximately 1973 by USGS,  
16 Swiftmud and DEP. There are at least three studies  
17 that I'm aware of that suggest remediation or  
18 methods to remediate this issue. One of the more  
19 recent by URS Corporation addressed alternatives,  
20 which included conceptual submissions for locks,  
21 dams, reconnects and so forth.

22 The issue of flood control is, of course,  
23 substantial. These issues are -- there are many  
24 obstacles. They are not insurmountable. One of the  
25 issues in our submission to the District on this



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1 particular matter provided mechanisms to deal with  
2 those flood control issues. So as far as having a  
3 formal plan, I can't say that they have, but it has  
4 been studied extensively. And my point in the  
5 presentation goes specifically to the opportunity to  
6 do this right now and avoid the conflict later on.

7 ATTORNEY GENERAL MCCOLLUM: I hear you real  
8 loud and clear. It's just that there's no plan to  
9 follow in order to redo the pipes that we're talking  
10 about at the present moment. And that was really  
11 the gist of my question, to try to figure that out.  
12 So if we're going to proceed with this nuclear  
13 siting and the nuclear plant over the next ten  
14 years, in order for there to be an accommodation for  
15 the concerns you have, there has to be some plan  
16 that would say, here's the way we do this  
17 restoration. If we're going to do it, then we need  
18 to have the piping going here rather than there,  
19 wherever that might be.

20 And we don't have that plan right now. That's  
21 the real issue. I don't want to hold up siting and  
22 proceeding with the nuclear plant, but I do not want  
23 to foreclose the opportunity for any realistic  
24 restoration either. I think all of us feel that  
25 way, at least I assume we do. But that seems to

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1           require a plan, and there's no plan. So we can  
2           pursue that later, at another date or whatever. But  
3           I know I speak for myself, I can't speak for  
4           everybody up here, but I certainly would like to  
5           have an opportunity to look at that and determine if  
6           there is a need for a plan or if it would be  
7           fruitless, as Mr. Sole seems to suggest it might be.  
8           Thank you.

9           MR. HILLIARD: Thank you very much.

10          GOVERNOR CRIST: Thank you, Dan. Appreciate  
11          you being here.

12          MR. SOLE: I didn't mean to convey it was  
13          fruitless, General. Challenging, yes. I wouldn't  
14          go as far as fruitless. Governor, I'd also like to  
15          introduce Cara Jennings, Commissioner, City of Lake  
16          Worth.

17          GOVERNOR CRIST: Morning, Commissioner.

18          MS. JENNINGS: Good morning. I've traveled a  
19          great distance to speak to you today. Thank you for  
20          hearing me. There are many issues of concern  
21          regarding the Levy County nuclear power plant. Due  
22          to my time limitation, I'm going to focus on  
23          radiation and public health, but I do want to  
24          preserve for the record that I'm very concerned  
25          about the wetland impacts, impacts to Big Bend

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1 Aquatic Preserve and the water use.

2 I've heard multiple presentations on this  
3 issue, both by Progress Energy and nuclear  
4 advocates, and I am saddened to hear that once again  
5 the nuclear industry is not addressing the heavy  
6 burden that their industry bears. Scientific  
7 research has clearly shown that the entire nuclear  
8 process, from mining to transportation, processing  
9 use, and long-term storage has negative impacts on  
10 public health.

11 Even when running safely, nuclear power plants  
12 release radiation. Radiation is odorless,  
13 tasteless, invisible and deadly, even in the most  
14 miniscule doses. This constant low-level radiation  
15 being emitted by safely running nuclear power plants  
16 has its greatest impact on children and the unborn  
17 because of how their cellular development is so  
18 rapid. That's why it has a greater impact on those  
19 age groups.

20 Across the United States childhood cancer  
21 clusters dot the landscapes next to various nuclear  
22 power reactors. Please note that these clusters are  
23 alongside safe running nuclear power plants, not  
24 necessarily the big story power plants that have had  
25 disasters happen.

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1           I ask you, where is the disposal plan for the  
2           Progress Energy nuclear power plant? Replacing coal  
3           plants for nuclear plants is not a good solution for  
4           Florida. Is this really the best we have to offer  
5           the people of our state? Go ahead, Floridians, take  
6           your pick, lung cancer and air pollution from coal  
7           or cancer for your kids and a waste product so  
8           deadly we have nowhere to put it.

9           The City of Lake Worth has its own electric  
10          utility. We were approached to invest in the  
11          nuclear plant in Levy County, and by a unanimous  
12          vote our city decided to vote no on the project. We  
13          believe that our residents and the rest of the  
14          residents of the state of Florida deserve true,  
15          clean energy sources.

16          Nuclear is not clean. It's so deadly that we  
17          have nowhere to store the waste. We really have to  
18          stop calling it clean energy. So that's what we're  
19          pursuing, and conservation efforts which have shown  
20          financially to be ten times more cost efficient than  
21          nuclear power.

22          I implore you, do not put your good names on  
23          this bad project. You have a great amount of  
24          respect across the state, and this project will have  
25          such a serious health impact, it is not to be tread



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1 on lightly. Please deny Progress Energy's request.  
2 Don't deny that this health impact lies in your  
3 hands. I know the State has different jurisdiction  
4 than the federal government. But to ignore a public  
5 impact of this significance would be to deny the  
6 position you've been put in by the residents of this  
7 state. Thank you for your time.

8 MR. SOLE: Thank you, Commissioner. Our next  
9 speaker is --

10 CFO SINK: Secretary Sole?

11 MR. SOLE: Yes, ma'am.

12 CFO SINK: Would you just please clarify the  
13 role of the Siting Board? Because I'm sympathetic,  
14 obviously, to health concerns. But this is -- from  
15 your instruction, this is not our jurisdiction.

16 MR. SOLE: Yes, ma'am, CFO. We truly are  
17 preempted under the Supremacy Clause of the United  
18 States Constitution from addressing nuclear safety  
19 issues, which is basically everything from  
20 transportation, handling, operation and subsequent  
21 disposal of nuclear material. That is within the  
22 sole jurisdiction of the Nuclear Regulatory  
23 Commission.

24 CFO SINK: So our speaker -- I heard your very  
25 impassioned testimony. But where is the -- what is

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1 the appropriate venue for her to express those  
2 beliefs in this process?

3 MR. SOLE: Yes, ma'am. The Nuclear Regulatory  
4 Commission is currently pursuing their certificate  
5 of license agreement with Progress Energy. That  
6 process is underway as we speak. In fact, I think  
7 they've issued recently a request for additional  
8 information from Progress Energy. The time frame of  
9 that process is probably expected to be somewhere in  
10 the 2011 time frame, when a decision is expected  
11 from the NRC.

12 CFO SINK: Thank you.

13 MR. SOLE: Yes, ma'am. Our next speaker is Ed  
14 Deaton, concerned citizen.

15 MR. DEATON: Good morning, Governor --

16 GOVERNOR CRIST: Good morning.

17 MR. DEATON: -- Mr. McCollum. The  
18 representative from Progress Energy that preceded me  
19 speaks about energy reliability, security and  
20 reducing our reliance on foreign sources of energy.  
21 And yet moving to a nuclear power plant in Levy  
22 County takes us out of the frying pan and puts us  
23 directly into the nuclear fire.

24 Today, the United States has sufficient uranium  
25 sources to fuel ten percent of our nuclear power

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1 plants, of the 104 nuclear power plants currently in  
2 operation today. We import 90 percent -- 90 percent  
3 of our nuclear fuel, of the uranium that we use is  
4 imported. Now, check this out. Fifty percent,  
5 fifty of our nuclear power plants are using uranium  
6 from the ex-Soviet Union, from Russia. Fifty  
7 percent of our fuel is coming from Russia.

8 I haven't looked into the eyes of Mr. Putin and  
9 I haven't checked his soul, but it doesn't seem to  
10 me that if we're looking, if we're on a track to  
11 increase our energy security, that we want to spend  
12 billions of dollars and potentially risk the lives  
13 and health of our citizens on a strategy that relies  
14 on 90 percent imported fuels. They'll say  
15 reprocessing fast breeder reactors, according to  
16 several physicists that I've read, 20 to 50 years in  
17 the future, if it ever comes to commercial fruition.

18 Relying on technology of the future is rather  
19 like spending a dollar a week to play the Lottery as  
20 your retirement plan. I don't know about you, but  
21 that's not where I'm at. I definitely support the  
22 ideas that have been suggested by Representative  
23 Vasilinda. I think that we have much better  
24 alternatives available to us. Small distributed  
25 power plants connected to a smart grid, using solar,

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1 wind, ocean power and, of course, first,  
2 conservation and efficiency, is the way to go. It's  
3 going to stimulate the new growing, green economy.  
4 The only thing green about nuclear is the glow over  
5 the breached containment center that was seen over  
6 Chernobyl. Please reject this request by Progress  
7 Energy. Thank you so much.

8 GOVERNOR CRIST: Thank you.

9 MR. SOLE: Our next speaker is Panagioti  
10 Tsolkas, who is the Palm Beach County Environmental  
11 Coalition co-chair.

12 MR. TSOLKAS: Thank you. Good morning. I came  
13 up here to ask you all to vote no on the proposal  
14 for the Levy County nuclear power plant. For the  
15 record, I'm a resident of Florida and I feel will be  
16 impacted. I value the wildlife of this region of  
17 the state and the areas managed by the State. I'm  
18 also concerned for my own health and the health of  
19 my family and friends across the state of Florida  
20 where I grew up.

21 I have another perspective to present. And,  
22 you know, I have a hunch on where this whole vote  
23 will go, and I'm going to share my thoughts anyway  
24 despite that hunch. The last time I was here for a  
25 Power Plant Siting Board meeting, Governor, you



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1           voted as the attorney general to permit over 12  
2           million tons of greenhouse gas emissions and the  
3           first power plant to inject its wastewater into the  
4           aquifer. That happened about two years ago here.

5                     And as a result, I've had a little tainted  
6           perspective on this board. I think at that point we  
7           presented that the application for that power plant  
8           I'm speaking of was rushed and was incomplete, as it  
9           was. You told me you would look into it. I never  
10          heard from you directly, but I did communicate with  
11          Secretary Sole. And none of our concerns were  
12          addressed in a sincere and thorough manner, although  
13          that process is still working its way through  
14          federal court at this time.

15                    In one of the federal court hearings, two state  
16          wildlife biologists testified that their reports  
17          regarding pollution, climate change and wildlife  
18          impacts from the initial siting application never  
19          made it to Tallahassee, despite them sending it in  
20          the direction they were requested to.

21                    If you recall in that hearing, when Colleen  
22          Castille stood up here, she said, yes, according to  
23          the Fish & Wildlife Commission, we have no comment.  
24          She said the same about the Department of Health,  
25          which is also granted commenting authority in this

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1           Siting Board. So I believe we're being misled by  
2           Mr. Sole. Department of Health does have input.  
3           It's different from nuclear regulatory safety.

4                    What did the Department of Health say about  
5           strontium-90? We need to know. But we may not find  
6           out. So while that could have been a simple mistake  
7           in the past and again today or it could have been an  
8           elaborate scandal, that truth may be buried under  
9           years of bureaucracy.

10                   But let's talk about what we do know. Within a  
11           year of office, Governor Crist, you took hundreds of  
12           thousands of dollars in contributions from energy  
13           companies. For those in the crowd watching and  
14           those on TV, we have to realize that the people in  
15           this Cabinet, while they have some power and they  
16           have votes, are not the ones pulling the strings.  
17           Corporate greed is what controls this process today,  
18           in fact, what established a lot of this process.

19                   The same law firms that the companies, energy  
20           companies pay to write the legislation that ends up  
21           in our state are the same companies contributing to  
22           our elected officials. Agencies like DEP end up  
23           just struggling along just to keep up, if they're  
24           relevant at all, or if they're not collaborating  
25           with the process.

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1           You know, if I'm wrong, prove it to me. If  
2           you're not just pawns at industry's interests, then  
3           show us here today with more than just token, yeah,  
4           we're interested in Withlacoochee; oh, sure, we're  
5           concerned about health, let the NRC do it. Do it  
6           here today. Make up for the mistakes that the State  
7           has already made for decades in impacting wildlife  
8           and people's health and the public confidence. I'll  
9           tell you, I have no confidence in the government, in  
10          this state in particular.

11          I live in a county where there's almost an  
12          incarcerated majority of county commissioners and  
13          whose to say it's only the beginning, those who have  
14          gone to prison. They're scratching the surface. So  
15          if you have the opportunity and the ability to make  
16          this vote independently today, I'm asking you to  
17          tell Progress to bring something environmentally  
18          renewable and economically responsible that shows us  
19          that they have our interests in mind.

20          If your interest and supposed claims towards  
21          environmental responsibility and sustainability are  
22          sincere and honest, well, you have that opportunity  
23          today to show us. Thanks.

24                 GOVERNOR CRIST: Thank you for being here.

25                 MR. SOLE: Our next speaker is Russell

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1 McSpadden.

2 MR. McSPADDEN: Good afternoon, Governor Crist,  
3 Cabinet members. I'd like to apologize. I'm also  
4 going to speak about public health. I'm sorry if  
5 you're preempted from considering public health,  
6 sorry if your ethics are stripped from you in that  
7 way.

8 My name is Russ McSpadden, and I drove all the  
9 way up here from Palm Beach County to speak about  
10 the proposed Levy nuke power plant. We've heard  
11 that this is the first new nuke plant proposed in 30  
12 years. Close to my neck of the woods down in South  
13 Florida we have the St. Lucie power plant. That was  
14 the last one that was built 30 years ago. I want to  
15 reiterate that there is no such thing as a safe  
16 level of radiation, and I'm going to quote the U.S.  
17 Nuclear Regulatory Commission.

18 "The radiation protection community  
19 conservatively assumes that any amount of radiation  
20 may pose some risk for causing cancer and hereditary  
21 effect and that the risk is higher for higher  
22 radiation exposures. A linear no threshold dose  
23 response relationship is used to describe the  
24 relationship between radiation dose and the  
25 occurrence of cancer. Any increase in dose, no



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1 matter how small, results in incremental increase in  
2 risk."

3 I would like to ask the members of this  
4 Cabinet, perhaps the folks from Progress Energy if  
5 any of you folks have ever lived in a cancer  
6 cluster. They've recently found one in my county,  
7 in Palm Beach County. There's been research into  
8 it, around the St. Lucie nuclear plant in St. Lucie  
9 County, just a couple of counties north of me.

10 I've personally met families and children  
11 affected who live in that county, affected by brain  
12 cancer. Studies have shown that there's -- that the  
13 incidence of brain cancer in children in St. Lucie  
14 County was double that of surrounding counties.

15 Other than that, I also want to mention, it was  
16 mentioned before, reiterate, is that Progress Energy  
17 has not said how they will dispose of the waste from  
18 this nuclear power plant. I would like to ask you  
19 to vote no today. Don't poison us, don't poison  
20 Florida, and don't nuke this state. Thank you.

21 GOVERNOR CRIST: Thank you, sir.

22 MR. SOLE: Our next speaker is Ms. Raquel  
23 Castiel.

24 MS. CASTIEL: Good morning.

25 GOVERNOR CRIST: Good morning.

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1           MS. CASTIEL: I am a concerned local community  
2 member. And attending this hearing I'm reminded of  
3 a trip my family and I took when I was younger to  
4 Veracruz, Mexico. And upon staying there and  
5 meeting the members of the small town in Veracruz,  
6 the nuclear power plant there was just built, and we  
7 had learned that cancer and heart diseases was  
8 something that nobody in this town had ever seen  
9 before. And after the completion of the nuclear  
10 power plant, cancer was rampant in this area and  
11 heart disease was everywhere. And it actually was  
12 introduced to their vocabulary.

13           And so I came here to remind you all that  
14 diseases that we worry about constantly, cancer,  
15 brain diseases, heart attacks, even things such as  
16 male impotency, are things that are industrial  
17 diseases, diseases that we have introduced to our  
18 society with facilities such as nuclear power  
19 plants.

20           And so when we worry and we mourn for our  
21 families who have died from these diseases or we  
22 spend time and money thinking about cures for these  
23 diseases and even worrying about health care, we  
24 should remember that we have brought these diseases  
25 into our society, that we have welcomed them. And

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1 right now we are allowing these things to go on in  
2 our community when we allow the Levy nuclear power  
3 plant.

4 And we are welcoming pollution into our air,  
5 poisoning our soils, our water streams, as well as  
6 our bloodstream. And it's been mentioned before  
7 that the nuclear waste that has given birth to  
8 stories of children with missing limbs and missing  
9 organs, nobody knows where this nuclear waste will  
10 be, perhaps in your back yard.

11 So I'd like to say, in behalf of anything  
12 living and breathing in Florida or the world, to  
13 please decline the proposal for the Levy nuclear  
14 power plant. Thank you.

15 MR. SOLE: Our last speaker is Mr. Michael  
16 Canning.

17 MR. CANNING: Good morning, Governor Crist and  
18 commissioners, or board members, Cabinet members. I  
19 also came from a long distance to have my two  
20 minutes here. Some of my friends say I'm crazy  
21 because the decision has already been made and it's  
22 a waste of time. I don't think it's a waste of time  
23 for citizens to participate in the process, even  
24 when the process is somewhat stacked against us.

25 I'm here to speak on my own behalf but also on

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1           behalf of the Green Party of Florida and the Alachua  
2           County Green Party. The Green Party of Florida is a  
3           party and have petitioned to intervene in the  
4           licensing, the federal licensing process for this  
5           plant. And we raise a number of serious concerns in  
6           our contentions. Unfortunately, we're just citizens  
7           in a pro se intervention. We don't have the money  
8           for attorneys. We don't have the money to hire  
9           researchers. We don't have the money to hire  
10          expensive experts.

11                 So while Progress Energy likes to say this has  
12          been a very, you know, great open process with all  
13          these hearings, in reality they really get a free  
14          ride. I mean, they get to present all the  
15          information to promote their project and say how --  
16          they say there's not going to be any detrimental  
17          impact on the water in this area, on the ecology, on  
18          the wildlife, and it's going to be this huge benefit  
19          to the community, and it's going to be great for  
20          jobs and taxes and all that.

21                 And part of the problem I have is that citizens  
22          have little representation in our elected  
23          government, in terms of looking out for our  
24          interests. You know, there tends to be a lot of  
25          cheerleading going on for the nuclear industry in



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1 government. The Nuclear Regulatory Commission, the  
2 commissioners themselves are constantly making  
3 speeches promoting the nuclear industry. I've heard  
4 this morning statements of how we need more nuclear  
5 plants.

6 And, I mean, we can respectfully disagree about  
7 whether we need more nuclear power plants, but my  
8 concern is that the process, the integrity of the  
9 process is really being impacted and corrupted by  
10 the links between government and industry.

11 And I think what we need in Florida is to step  
12 back from that and say, this is serious business. I  
13 mean, the reason we have to talk about restoration  
14 of a river or restoration of the Everglades is  
15 because people had bright ideas that government  
16 officials just thought were wonderful at the time,  
17 and they created problems that now are very  
18 expensive to fix. In fact, some of them are  
19 impossible to fix.

20 And I submit to you that this project sounds  
21 really good when you listen to the Progress Energy  
22 sales pitch. I think we have to step back from this  
23 and look at the picture dispassionately, look at the  
24 picture. What are we doing here? You're siting a  
25 nuclear power plant in a rural county, and we're

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1 talking about the jobs that it's going to create.  
2 We're talking 15, 20 billion dollars. If you spend  
3 that kind of money anywhere, you're going to create  
4 jobs. A lot more jobs would be created in green  
5 energy technology if that money was invested.

6 And I want to second what an earlier speaker  
7 said about the advanced cost recovery. But I'm here  
8 to call on you to refuse this approval of the siting  
9 of this plant, even though all of the state agencies  
10 thus far that have considered it have recommended  
11 approval. I think we can probably predict what the  
12 decision is going to be here. But you do have a  
13 primary responsibility to protect the health and  
14 safety of citizens, and your primary responsibility  
15 is not to protect the profits of private utility  
16 enterprises.

17 So if you're -- if you look at the petition to  
18 intervene that we filed -- actually, the Atomic  
19 Safety Licensing Board acknowledged that some of  
20 these contentions -- and these weren't on -- only  
21 one was about the nuclear waste storage. The other  
22 ones were environmental issues that fall under the  
23 purview.

24 I don't understand why the Department of  
25 Environmental Protection doesn't have the same

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1 problems that we have with this application because  
2 the judges on the Atomic Safety Licensing Board  
3 agreed that these problems need to be resolved  
4 before the licensing can move forward. So we're  
5 proceeding in that process.

6 And I think that that's a sign right there.  
7 Even though the Nuclear Regulatory Commission is a  
8 cheerleader for the industry, they've acknowledged  
9 that there's deficiencies in this application,  
10 environmental issues that need to be addressed with  
11 the hydrology of the area, with the impacts this is  
12 going to have on the wetlands, on the water, and  
13 possible permanent irreversible damage that could  
14 happen from the construction.

15 But there are so many issues that have been  
16 brought up, you can't address them all in two to  
17 three minutes. But I'm just here to ask you to step  
18 back from this, take a breath and look at all of the  
19 available options that we have as a state for  
20 meeting our energy needs of the future, and don't be  
21 influenced by a utility company's lobbies, lobbying  
22 and -- they have a vested interest in this.

23 One reason why I think we don't have a greater  
24 commitment to energy efficiency and conservation,  
25 other than public relations campaigns about it, is

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1           that a reduction in consumption of electricity would  
2           result in the reduction of profits by these utility  
3           companies. I mean, in places where this has  
4           happened, you know, it's a problem for the company's  
5           bottom line when people use less electricity.

6                        So here we are using three times the  
7           electricity per capita than Germany. And I don't  
8           see an aggressive -- if you spent a fraction of the  
9           money being spent on this plant in the state of  
10          Florida to put solar thermal hot water on people's  
11          roofs like they did in Israel. Ninety percent of  
12          the -- probably every place that doesn't have a tree  
13          shading it has a solar hot water unit.

14                       Why aren't we looking into this in Florida  
15          where we could save more energy than this plant will  
16          produce if we were diligent about protecting the  
17          public interest instead of just greasing the skids  
18          for business and industry.

19                       You know, I don't have a problem -- when you  
20          talk about the free market, the free market isn't at  
21          work here. If Progress Energy and Florida Power &  
22          Light and the other companies that want to build  
23          nuclear plants had to compete in a free market, they  
24          would never build another nuclear plant. But they  
25          need federal loan guarantees. They need tax breaks.



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1           They advanced cost recovery. They need all kinds of  
2           subsidies, and they need us to foot the bill for  
3           safeguarding and storing their waste in perpetuity,  
4           in perpetuity.

5           The Environmental Protection Agency recently  
6           revised a ruling on the environmental standards that  
7           they use for the Yucca Mountain storage facility,  
8           which now is on hold, by the way, so we don't know  
9           where the waste is going to go. But the EPA revised  
10          their standard to go from 10,000 years to a million  
11          years.

12          So we have a regulatory agency -- this is how  
13          Strangelovian this is. They acknowledge that these  
14          wastes are going to be deadly for a million years,  
15          so they're extending the scope of their regulatory  
16          purview to a million years, when we don't know  
17          what's going to happen 500 years from now. And so I  
18          think when you adopt these decisions, you're  
19          creating a permanent nuclear waste repository in  
20          Levy County, is what you're doing, because we have  
21          no other place to take that waste.

22          And I hope you will postpone this decision and  
23          hold hearings on the true costs and the true risks  
24          of nuclear power. And I presented some information  
25          to the Commission, and I think you have a copy of

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1           it.  Thanks.

2           MR. SOLE:  Thank you.

3           GOVERNOR CRIST:  Thank you, sir.

4           MR. SOLE:  Governor, with that, that's the last  
5           of the speakers, there may be questions of staff or  
6           Progress.  Just as a reminder, again, the  
7           administrative law judge has forwarded a  
8           recommendation to the Siting Board in light of the  
9           hearings that he conducted that does offer the  
10          recommendation to the Board to go ahead and move  
11          forward with full and final certification of the two  
12          units at the Levy County site, as well as the nine  
13          individual transmission line corridors.  With that,  
14          if there are any questions, I'll be glad to answer  
15          them.

16          GOVERNOR CRIST:  General.

17          ATTORNEY GENERAL McCOLLUM:  I don't have a  
18          question, but I do want to make a couple of  
19          comments, Governor and Mr. Sole.  I am impressed  
20          with the sincerity of the opponents today here.  I  
21          think everyone who has spoken has had a passionate  
22          reason and a personally well researched and  
23          objective view of what they object to here.

24          But I want to assure them and anyone else who  
25          is watching or listening that I spent a long time in

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1 my life studying this issue myself. I have a solar  
2 power unit on my home. I've had one for heating the  
3 water for many, many years, and I'm a very strong  
4 advocate of alternative energy sources in our state.  
5 I think solar power is extremely important in  
6 Florida and can advance a lot that way.

7 But from what I've seen and studied to date, I  
8 don't know any of the realistic studies that I've  
9 looked at that suggest that we can have but a  
10 fraction of our energy over the next years with  
11 solar and no matter what we do.

12 And looking at the other alternatives, they're  
13 far from realistic for our state at the present time  
14 and at least as far as I can see. I also believe  
15 we're going to have a tremendous demand for  
16 increased energy as our state grows from 18 million  
17 to 20, 25, 30 million people over the next few  
18 years, and we're going to need to expand our revenue  
19 base. We need to expand our business base in our  
20 state to meet and keep up with the infrastructure  
21 demands that population growth is going to have.

22 In order to do that, we're going to have to  
23 increase our capacity for electricity and for power.  
24 And nuclear is a component of that. I also know  
25 that France has had many nuclear power plants for

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1 many years, and we don't see coming out of France  
2 studies showing great hazards to the health of the  
3 people there.

4 They do have a different law with regard to  
5 reprocessing the waste. And some of us happen to  
6 think that maybe the time has come for the federal  
7 government to start considering the type of rules  
8 and procedures that other countries now have  
9 regarding the disposal of nuclear waste and get away  
10 from the Yucca Mountain issue.

11 But there are long periods of time involved, as  
12 we've heard today, some ten years or more before  
13 this plant would be on line. And hopefully by that  
14 time the federal government, which as you pointed  
15 out, Mr. Sole, really has the jurisdiction in regard  
16 to the health, the safety and disposal issue, will  
17 come to some rational conclusions that will resolve  
18 that issue.

19 But we can't afford to wait on a siting issue,  
20 which is one small step in the direction of getting  
21 this nuclear plant to provide the energy and the  
22 additional opportunity for diversity and resources  
23 in our state. So I would move Item 2. Governor.

24 GOVERNOR CRIST: Thank you, General. Do you  
25 want to speak?



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1 CFO SINK: No.

2 GOVERNOR CRIST: Well, I'll second it. I think  
3 this is the right thing to do. And I, like you,  
4 General, appreciate the comments of those who  
5 traveled a long way to present before this panel  
6 today and certainly respect and embrace their right  
7 to do so.

8 I also think that we need to diversify our  
9 energy resources in Florida and in our country, for  
10 that matter. All you have to do is look back to  
11 last summer and the price at the gas pump to realize  
12 the sort of constricting nature of being so  
13 dependent on a limited array of energy sources and  
14 the impact it can have on both Florida and America.

15 And so I encourage solar development, wind  
16 development, nuclear and wave. And I think all of  
17 these things -- it's kind of like your personal  
18 financial portfolio, if you will, the best way to be  
19 solvent in the long run is, I think, to be  
20 diversified in your investment. And I think the  
21 same rule applies as it relates to the energy  
22 resources that we have to depend upon in our  
23 country. And, you know, the more diversified we  
24 are, the greater opportunity we have to never suffer  
25 when one may be depleted over another.

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1           So I second the motion, General, and I  
2           appreciate what Progress is doing. And they're not  
3           only going forward in nuclear. Florida Power &  
4           Light is doing great work as it relates to solar and  
5           wind. And I wish more were happening. But when I  
6           got elected governor, Florida was dead last in solar  
7           energy production. We are now, after just two and a  
8           half years, number two in the country. And that's a  
9           tremendous advancement over a short period of time.  
10          And I'm very pleased with, Secretary, what you have  
11          done and what the Department has done and what the  
12          private sector has done in Florida, and I'm very  
13          encouraged by it.

14          So we have a motion and a second. All in  
15          favor, please signify -- unless there are any other  
16          comments -- please signify by saying aye.

17                 ATTORNEY GENERAL McCOLLUM: Aye.

18                 CFO SINK: Aye.

19                 GOVERNOR CRIST: Aye. Opposed like sign.

20          Motion passes unanimously.

21                 MR. SOLE: Thank you, Governor.

22                 GOVERNOR CRIST: Thank you.

23

24

25

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1           GOVERNOR CRIST: Board of Trustees. Secretary,  
2 welcome back.

3           MR. SOLE: Thank you, sir. Item Number 1,  
4           submittal of the minutes of the June 2009 Cabinet  
5           meeting.

6           GOVERNOR CRIST: Is there a motion on the  
7           minutes?

8           CFO SINK: Move it.

9           ATTORNEY GENERAL McCOLLUM: Second.

10          GOVERNOR CRIST: Moved and seconded. Show the  
11          minutes approved without objection.

12          MR. SOLE: Governor, Items Number 2 through 4  
13          are related to a request for consideration of three  
14          separate aquatic preserve management plans. I'll do  
15          a brief introduction of all three and get to them  
16          individually. The Department is currently updating  
17          our management plans for our 41 aquatic preserves  
18          throughout the state of Florida. We have a goal of  
19          trying to get some 25 to 30 of those done over the  
20          next six to eight years.

21          All three of the management plans that are  
22          being brought forward today are issue-based  
23          management plans related to the resource itself.  
24          They include goals, objectives and strategies over a  
25          ten-year period on how to manage these special

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1 places in the state of Florida. They have gone  
2 through extensive public comment and input in their  
3 development. And the Acquisition and Restoration  
4 Council voted on all three of these and approved  
5 them on the June 12, 2009, council meeting.

6 With that, I'm going to jump right into it.  
7 Item Number 1 is -- or excuse me -- Item Number 2 is  
8 a request to consider the North Fork St. Lucie River  
9 Aquatic Preserve Management Plan. This is located  
10 in St. Lucie and Martin Counties. It's just under  
11 3,000 acres of state-owned sovereign submerged lands  
12 and near -- and actually associated with part of the  
13 northern Everglades restoration.

14 CFO SINK: I'll move approval.

15 ATTORNEY GENERAL McCOLLUM: Second.

16 GOVERNOR CRIST: Moved and seconded, show it  
17 approved without objection.

18 MR. SOLE: Item Number 3 is request for  
19 consideration of Mosquito Lagoon Aquatic Preserve  
20 Management Plan. It's located in Volusia County.  
21 It's part also of the Indian River Lagoon system,  
22 3,500 acres of sovereign submerged lands, and  
23 partnering and disaster recovery have been key  
24 components of this plan.

25 ATTORNEY GENERAL McCOLLUM: Move Item 3.



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1 CFO SINK: Second.

2 GOVERNOR CRIST: Moved and seconded. Show it  
3 approved without objection.

4 MR. SOLE: The last management plan is request  
5 for the Terra Ceia Aquatic Preserve Management plan.  
6 This is located in Manatee County at the mouth of  
7 Tampa Bay, situated on either side of the Sunshine  
8 Skyway Bridge. This is a 20,000-acre aquatic  
9 preserve.

10 ATTORNEY GENERAL MCCOLLUM: Move Item 4.

11 CFO SINK: Second. But I have a comment to  
12 make.

13 MR. SOLE: Yes, ma'am.

14 GOVERNOR CRIST: Go ahead.

15 CFO SINK: I just wanted to make a comment,  
16 particularly on this one, Governor, since you and I  
17 know these waters pretty well, that the -- I mean,  
18 the plans are wonderful. But if you were -- we were  
19 just glancing at some of the details of the plan and  
20 the costs associated with implementing the plan.  
21 And we don't have very much money to implement this  
22 plan.

23 For example, Governor, in Terra Ceia, there's a  
24 proposal to put mooring buoys in the preserve so  
25 that people who were -- I can't put my hands on the

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1 maps here. You know exactly where it is -- so that  
2 boaters can moor up and -- here we go. Here is the  
3 Terra Ceia. And so boaters can moor up their boats.  
4 And it's not a whole lot of money.

5 But I just would like to encourage the  
6 Department that when you get -- when times get  
7 better, to not totally ignore this really, if  
8 anything, the minimal funding requirements to  
9 implement some of these wonderful plans that you've  
10 put together for these aquatic preserves so that  
11 Floridians can enjoy them in a very safe manner,  
12 other than the alternative, which is probably drop  
13 their hook and go aground and stir up the silt and  
14 make a mess of things. And I'm sure the Governor  
15 and I would love to have some more mooring buoys in  
16 Terra Ceia Bay. But that was just a comment.

17 MR. SOLE: And I'm grateful for the comment.  
18 And one of the things that Lee Edmiston and I, who  
19 is our director of coastal aquatic management areas,  
20 talked about is this is a starting point. We need  
21 to identify where we need to go, how we need to  
22 manage these resources. And without these  
23 management plans, identifying the expectations of  
24 how we want to manage it, we are less than fully  
25 armed with the ability to come and seek for, whether

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1           it's partnering to help achieve some of these goals  
2           or even legislative funding. So I appreciate that  
3           comment, CFO.

4           GOVERNOR CRIST: Very good. Well, it's been  
5           moved and seconded. Show it approved without  
6           objection.

7           MR. SOLE: Item Number 5, the Department --  
8           excuse me -- the applicant is requesting deferral of  
9           this item to the next agenda.

10          GOVERNOR CRIST: Is there a motion to defer?

11          CFO SINK: Move it.

12          ATTORNEY GENERAL McCOLLUM: Second.

13          GOVERNOR CRIST: Moved and seconded. Show it  
14          deferred.

15          MR. SOLE: Last item, Item Number 6, this is a  
16          request for a consideration of an application from  
17          the City of Fort Pierce for a five-year sovereign  
18          submerged land lease. This is to construct a pilot  
19          project storm protection island system which  
20          requires filling of 15 acres of sovereign submerged  
21          lands.

22          This island system is proposed to protect some  
23          269-slip public marina located in Fort Pierce.  
24          Ninety-eight of those slips are located on sovereign  
25          submerged lands. Again, this is in the Indian River

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1 Lagoon, St. Lucie County. The consideration for the  
2 marina portion is some \$28,515. And without  
3 question, this is a new and innovative idea and  
4 something that, even when I originally saw it,  
5 caused me to raise my eyebrows quite a bit.

6 As I looked at the opportunities, what I do  
7 recognize is without question a need for breakwaters  
8 to protect some marinas throughout the state have  
9 been identified. This is not an unusual occurrence  
10 to use breakwaters. In fact, just to the north of  
11 this facility in Fort Pierce, there is an existing  
12 breakwater protecting a marina, and the impacts that  
13 occurred during 2004 associated with Hurricane --  
14 excuse me, 2005, Hurricane Jeanne and Frances to the  
15 marina to the north with the breakwater were  
16 significantly less compared to the impacts that were  
17 incurred to the Fort Pierce city marina.

18 So the concept of using breakwaters to protect  
19 marinas is not new. The concept of using an island  
20 system as the breakwater is the innovative piece  
21 here. And what the City has identified is the  
22 desire to not only provide that breakwater  
23 protective value, but let's do so in a way that  
24 provides some ecological lift.

25 And when we talk about ecological lift, we're



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1 talking about providing oyster habitat, we're  
2 talking about providing mangrove habitat, the  
3 potential for even shorebird nesting habitat in  
4 light of maintaining some of the structure in an  
5 unvegetated state.

6 So I was very intrigued by the options here. I  
7 will candidly say, this is something that I consider  
8 a pilot and not something that I'm looking to create  
9 precedent for in this case. We have a public  
10 marina. We have a marina that has been impacted by  
11 Hurricane Frances and Jeanne that was completely  
12 destroyed. They have partnering funding with the  
13 Federal Emergency Management Agency to help  
14 construct a breakwater and reconstruct this marina.  
15 So I do see this somewhat unique.

16 With that, I want to point out, as part of  
17 this, a public interest in the positive needs to be  
18 determined as part of this project. The City will  
19 deed to the Board of Trustees some 30 acres of  
20 privately owned submerged land that the City owns to  
21 compensate for the 15 acres of sovereign submerged  
22 lands that are being affected. The City has  
23 identified mitigation to address impacts to  
24 seagrasses and other environmental resource permit  
25 requirements.

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1           And finally, to wrap up, there is an objection  
2           from Audubon of Florida, and we have two speakers.  
3           If there's any questions of me, I'd be glad to  
4           answer them.

5           ATTORNEY GENERAL McCOLLUM: I do have a  
6           question, if I could. In terms of the FEMA money  
7           that's being used here, is it strictly for this  
8           project or could it be for some other alternatives  
9           or some other location? Has this been dedicated by  
10          FEMA for this purpose?

11          MR. SOLE: General, to answer your question, my  
12          understanding is FEMA was identifying the need to  
13          provide some protective value. I do not believe  
14          they said it had to be a spoil island protection.  
15          And I know the mayor is here nodding affirmatively  
16          at that.

17          ATTORNEY GENERAL McCOLLUM: So there were other  
18          options that were considered. In other words, as I  
19          understand it, there are other ways to provide  
20          protection besides this spoil island. That's what's  
21          unique about this, right?

22          MR. SOLE: Yes, sir.

23          ATTORNEY GENERAL McCOLLUM: Why were the others  
24          rejected? Why did you go to this particular design  
25          and this creative unique thing, as you describe it?

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1           MR. SOLE: In my conversations with the  
2           applicant, I think one of the things that they were  
3           looking at -- and this actually started several  
4           years back, was trying to provide an ecological lift  
5           in association with these structures. When I say  
6           ecological lift, I mean trying to provide habitat  
7           that's more commensurate with the St. Lucie and  
8           Indian River Lagoon scenario.

9           Instead of a hardened seawall, a vertical wall  
10          that's used just to provide that protection, they  
11          would like to try something that's a little bit more  
12          commensurate with the community, where you have a  
13          mangrove fringe set of islands, you have oyster  
14          habitat and this type of effort. That was what was  
15          conveyed to me. And I see the opportunity in it and  
16          the opportunity to provide some potential  
17          environmental enhancement in association with this  
18          protection.

19          ATTORNEY GENERAL McCOLLUM: Now, we're going to  
20          hear, I'm sure, from the City and everybody else,  
21          but before we do that, I just want to ask you the  
22          question. My understanding is, from the material we  
23          have, the City has said that they would remove or be  
24          responsible for the removal of this if the system  
25          failed.

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1           But what I'm curious about is, do you have a  
2           means to evaluate, to determine whether it is  
3           succeeding or it's failing? What type of standard  
4           or metric do you have for that?

5           MR. SOLE: One of the things that were placed  
6           both in the Board of Trustees' special lease  
7           conditions is the ability to review how the system  
8           performs. And it's primarily considered in  
9           association with storm events, if a hurricane comes  
10          in, and whether or not the system actually provided  
11          value, protective value. In the environmental  
12          resource permit, there are several monitoring  
13          requirements to look at whether or not the system is  
14          causing too much erosion or too much accretion,  
15          whether or not the environmental lift that I've been  
16          talking about is actually realized, whether you have  
17          shorebird nesting opportunities or not.

18          There's conditions in the permit that actually  
19          work with Audubon of Florida and Fish & Wildlife  
20          Conservation Commission to evaluate that. So it's  
21          actually a fairly robust pilot and set of conditions  
22          to review how this performs, because I have a  
23          curiosity as to whether it will perform as expected,  
24          because this is not something that's been done on a  
25          routine basis.



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1           ATTORNEY GENERAL McCOLLUM: And you are  
2           therefore assuring us, what you did in your  
3           testimony, that this is a pilot, this is not  
4           precedent setting if we were to adopt it. And it  
5           would be something you would consider, I presume the  
6           agency would going forward, certainly I would, truly  
7           a pilot. That's what it's called, if we approve it.

8           MR. SOLE: General, that is correct. I'm not  
9           proposing this as a wave of the future. I'm not  
10          proposing this is something we should consider at  
11          other applications and other sites in the state of  
12          Florida. I think this is something that should be  
13          tried. We should evaluate the performance of it  
14          before we look to even consider this in the future.

15          ATTORNEY GENERAL McCOLLUM: Thank you.

16          CFO SINK: Secretary Sole, how will you know if  
17          it's not working? What will we see or what will we  
18          be able to evaluate, I mean, other than we have a  
19          storm and the same thing happens as happened before,  
20          but in terms of the environmental impact?

21          MR. SOLE: I think there's a couple of answers  
22          to that, because there are several things that we're  
23          looking at. One of the issues that we need to  
24          identify whether it's working or not, whether it's  
25          causing too much accretion, because this is a

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1 coastal system breakwater, and when you disrupt some  
2 of the standard wave activity, oftentimes you will  
3 create moments of accretion where the island gets  
4 bigger. Well, if it's getting bigger, that's not  
5 the intent, so we have conditions to monitor that.

6 The same holds true if we were actually causing  
7 erosion. If the island begins to erode and has  
8 significant erosional effects, the permit requires  
9 them to address and mitigate those issues. When it  
10 comes to performance of the system related to storm  
11 protection, we are somewhat relying on FEMA to  
12 establish that final design certification. They  
13 said it's to protect from a category three, a  
14 hundred-year storm event. We've looked at the  
15 design and are waiting on FEMA's final review of  
16 that.

17 If a storm hits it and it disrupts it and it  
18 causes it to fail -- and I guess beauty is in the  
19 eye of the beholder. Failure is a scenario where,  
20 if it loses its protective value, if there's  
21 significant erosion of the island system, loss of  
22 islands -- a lot of these islands have a geotextile  
23 tube core infrastructure to them. If they are  
24 moving and have been moved by the storm and not in  
25 their original condition, I would consider that

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1 failure.

2 And as part of the special lease conditions, I  
3 think there is given great discretion to the Board  
4 of Trustees to also make that determination.

5 CFO SINK: And this current through the Fort  
6 Pierce Inlet can be pretty strong.

7 MR. SOLE: Grew up and used it many times.

8 CFO SINK: So has the engineering that has been  
9 done taken into account the current activity in  
10 front of the marina? Is that why we came up with  
11 this kind of somewhat unique-looking --

12 MR. SOLE: Yes, ma'am.

13 CFO SINK: -- island structure?

14 MR. SOLE: In some conditions -- and, in fact,  
15 when you look at the seagrass, the concern is there  
16 isn't as much seagrass in that area because we have  
17 a little bit heightened flow or current condition.  
18 This is in the flood shoal of the Fort Pierce  
19 entrance channel, which means currents have slowed  
20 down quite a bit compared to the entrance channel  
21 itself.

22 But there does still seem to be quite a bit of  
23 energy in that area, and that's why this is also  
24 being considered as an opportunity to dissipate some  
25 of that energy, meaning current energy.

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1 CFO SINK: Governor, just one more. In your  
2 opinion, should we take any formal action, such as  
3 making a part of our motion that we won't consider  
4 future applications for another two years until we  
5 have experience with this, just to ward off anybody  
6 else who is thinking about the same idea?

7 MR. SOLE: CFO, I think that's good guidance.  
8 I mean, I think the Department should accept  
9 guidance, whether it needs to be a formal motion or  
10 just direct guidance from the Cabinet alone, saying,  
11 look, this is something that if you're considering  
12 trying it, this is something we're willing to try  
13 and see how the performance is, but we don't want to  
14 propagate them throughout the state of Florida. So  
15 let's put this out, let's try it as a pilot. But  
16 until we see results back from this pilot, if the  
17 direction to me is not to bring any of these  
18 forward, I understand that direction.

19 Again, we have two speakers. Julie Wraithmell,  
20 Audubon of Florida.

21 GOVERNOR CRIST: Good morning.

22 MS. WRAITHMELL: Good morning, Governor,  
23 Cabinet. My name is Julie Wraithmell. I coordinate  
24 wildlife policy for Audubon of Florida. As  
25 Secretary Sole referenced, we have expressed



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1 concerns particularly with this project, especially  
2 the very significant precedent that we do feel  
3 strongly this applicant -- this application  
4 represents.

5 Not only is it a precedent regarding the  
6 filling of offshore sovereign submerged lands, which  
7 is really something that we have not done in Florida  
8 for a very long time, but it's also a precedent  
9 allowing what amounts to offshore armoring of  
10 onshore assets.

11 We recognize here in Florida that armoring is  
12 an issue of very last resort. When you put  
13 something static into a dynamic system, there are  
14 consequences to that, and it ends up generally  
15 having effects on adjacent properties downstream,  
16 et cetera.

17 As a result, it's very important that the  
18 Cabinet considers this carefully. The Department  
19 would suggest that this would not be a precedent.  
20 In fact, for it not to be a precedent, we would have  
21 to be able to demonstrate that it's unlikely -- that  
22 this scenario is unlikely to present itself again in  
23 the future. And I think that's actually far from  
24 the case.

25 We already know that there is significant

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1           desire within Florida to fill sovereign submerged  
2           lands for whatever purpose. Storms have always been  
3           an issue in Florida and will continue to be so,  
4           especially in light of climate change. Sea level  
5           rise, climate change scenarios will likely  
6           accelerate the demand for the protection of onshore  
7           assets by creating these offshore protective  
8           measures.

9           The terms of the agreement, while substantial  
10          from the applicant's perspective, frankly are  
11          reasonable in comparison to the degree of the  
12          exception that you are being asked to make in your  
13          determination on this lease proposal. In order for  
14          it to be a pilot project, it would need to be  
15          measured and documented by an independent third  
16          party over a significant period of time and not just  
17          for the protective value of the islands but also for  
18          the integrity of the islands, are they functioning  
19          as they were intended to and are they having  
20          unforeseen consequences, both on natural resources,  
21          public trust property, as well as nearby private  
22          property. We haven't seen that degree of assurance  
23          in this agreement to date.

24          Similarly, we would have to -- for this not to  
25          be a precedent, we would have to hope that FEMA

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1           wouldn't play a role in incentivizing these kinds of  
2           proposals in the future. And as Audubon, we simply  
3           just don't have that confidence. We've already seen  
4           examples in Florida of FEMA conditioning their  
5           funding on protective measures that, frankly, result  
6           in the armoring of our coastal resources, which is  
7           counter to state policy currently.

8                        This is an untested technology in this  
9           application on public lands in Florida. As you  
10          know, onshore geotubes, have resulted in problems in  
11          some locations where they've been used to attempt to  
12          protect onshore assets. And the Legislature has  
13          regulated them heavily as a result. This would be  
14          the application of a geotube technology offshore.

15                       And as a result, DEP has had to very carefully  
16          evaluate and condition their permit in the hopes  
17          that they will be building this to a category three  
18          storm standard. But what happens when a category  
19          four storm comes through or a category five? What  
20          happens when the rubble shifts or when the geotube  
21          moves? What happens if it impacts neighboring  
22          public property? Who bears the liability or the  
23          burden for dealing with that?

24                       Lastly, the implication for habitat creation  
25          elements is uncertain. We're hopeful that there

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1 would be ecological benefits from this. But these  
2 artificial replications of natural habitats are not  
3 likely to function in the exact same way that those  
4 natural habitats will. So we will be watching  
5 closely, and we hope that the State will be  
6 evaluating those closely as well.

7 Lastly, we think it's presumptuous to set a  
8 precedent of this magnitude through the ERP and  
9 sovereignty submerged land leasing process. This  
10 could have implications up and down Florida's coast.  
11 And if this really is an issue that the State needs  
12 to address, it should be made in an deliberative  
13 manner, with input from a diversity of coastal  
14 experts and scientists, rather than by creating a  
15 precedent prompted by a single application. Thank  
16 you for your consideration.

17 GOVERNOR CRIST: Thank you. Any questions?

18 MR. SOLE: The last speaker on this is Mayor  
19 Benton from the City of Fort Pierce. Mayor.

20 GOVERNOR CRIST: Morning, Mayor.

21 MR. BENTON: Good morning. Good morning,  
22 Governor Crist and Chief Financial Officer Sink and  
23 Attorney General McCollum. I want to thank y'all  
24 for letting me come up here. It's been twice in a  
25 week. This is very important for the City of Fort



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1           Pierce. And so y'all know, first I'll just let you  
2           know, the environment means a lot to the City. I'm  
3           sure you've been dealing with a lot of our  
4           waterfront issues for the last several years we've  
5           been up here over.

6                     But we are the home of Harbor Branch. And I  
7           want to thank the Governor and the Cabinet for  
8           allowing the marriage between Florida Atlantic and  
9           Harbor Branch. That was very important for our  
10          community last year.

11                    And we're the home of the Smithsonian Marine  
12          Station. That's within a hundred yards of our  
13          marina. And I myself, with my -- as far as a  
14          fisherman, I'm members of the Southern Kingfish  
15          Association, through the Fort Pierce Sport Fishing  
16          Club, the Surfrider Foundation, the IGFA and the St.  
17          Lucie Waterfront Council, which I know y'all have  
18          heard from many times. So the environment does mean  
19          a lot to us. And that's one reason why we're here.

20                    And there was some discussion a minute ago  
21          about the currents in Fort Pierce Inlet. Something  
22          since we were allowed to build that part of the  
23          marina back in the late eighties, the Army Corps  
24          back in the mid-nineties dredged our channel coming  
25          in our inlet about -- I think it was six feet deeper

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1 and also widened the channel.

2 And at that time we had a worm reef that almost  
3 went out halfway through the inlet. I don't know  
4 what happened to that. I wish one day we could find  
5 out. But when that was gone and the depth of the --  
6 and the width of the channel, did increase the  
7 current that did come around our marina on a  
8 continued basis, maybe a couple of knots.

9 But I want to talk about something different  
10 because I know we've talked about the economics, or  
11 at least the environmental side. I want to talk  
12 about economics. Okay. I've been the mayor of Fort  
13 Pierce for five years. And, Governor, I think the  
14 last time we spoke was probably in a motor home when  
15 President Bush showed up at the airport after  
16 leaving the marina that morning, so -- but I want to  
17 talk about the economic side.

18 The City of Fort Pierce has gone through a  
19 major transformation in the last 15 to 20 years,  
20 going from a community depending on citrus and  
21 commercial fishing to a community capitalizing on  
22 its natural resources. God has blessed us with  
23 pristine beaches and waters abundant with fish. In  
24 the last eight years we've invested over \$100  
25 million of public and private dollars while lowering

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1 the millage rate, you'll love this --

2 GOVERNOR CRIST: God bless you.

3 MR. BENTON: -- 40 percent. And my commission  
4 would be here today, but last weekend and tomorrow  
5 they're in budget workshops, and raising the millage  
6 rate is not an option. In fact, we're very lucky.  
7 It looks like we'll be within a tenth of a mill of  
8 our sister city, Port St. Lucie, which is a real  
9 accomplishment, for a 105-year-old city with issues.  
10 So we've come a long way in Fort Pierce and are very  
11 proud of it.

12 GOVERNOR CRIST: Way to go, Mayor.

13 MR. BENTON: The City of Fort Pierce marina was  
14 one of our first steps in the City's revitalization  
15 efforts. And the September 2004 hurricanes  
16 destroyed our marina. Today we are asking you to  
17 allow us to rebuild our marina and protect it. Our  
18 precious Indian River means more to us and myself --  
19 I grew up on that river. It means everything to our  
20 community and everything that we've got there. And  
21 seeing what happened after the destruction of the  
22 hurricanes -- and the second hurricane really kind  
23 of helped things out. Maybe we got that stuff out  
24 of the water, the boats and the mess, and it cleaned  
25 things out real quick. But we don't want that to

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1           happen again.

2                    But we'd like to be brought back to that city  
3           that can host major fishing tournaments. The  
4           Southern Kingfish Association, we have their smaller  
5           tournaments, but we used to hold their national  
6           championship. It was two years in Fort Pierce and  
7           two years in Biloxi, Mississippi, which brought in  
8           about 380 teams of boats. They looked like NASCAR,  
9           the Hooters boat with 1200 horsepower on it. So,  
10          you know, I mean, when they pay \$100 a dozen for  
11          mullet for bait, The local economy thrives. We  
12          haven't had that now in four years. Biloxi has been  
13          taking all of our business. So we hope we get that  
14          back one day.

15                   The sailfish tournaments, the Treasure Coast in  
16          late November, December and early January hosts six  
17          sailfish tournaments. And a couple of years ago I  
18          think we had over 1,000 sailfish in one day. So  
19          between Venezuela, Costa Rica, Mexico and the  
20          Treasure Coast, we're up there. So we're very proud  
21          of this also. But we need facilities, protected  
22          facilities for these boats.

23                   But this is what brings literally millions into  
24          our local economy, through gas, our downtown, which  
25          has gone through all these revitalization efforts,



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1 depends on not only the transient boaters that come  
2 through in the wintertime but some of the ones that  
3 do live on these boats throughout the year.

4 And just last February we broke ground on a new  
5 federal courthouse a block away -- a couple of  
6 blocks from the waterfront. In July, the last wall  
7 of a 95-year-old power plant was taken down just  
8 across the street from the city marina, which we  
9 hope in the very near future, which leaves about  
10 seven acres of developable property that we're  
11 looking to build a resort, hotel and resort to  
12 complement our marina and allow people fishing to  
13 stay there.

14 So in closing, the rebuilding of our marina and  
15 protecting it is key to our continued efforts to  
16 rebuild an old city, and we ask you to consider the  
17 importance of this. And this is something that the  
18 City of Fort Pierce and the State will be very proud  
19 of when we're finished with it.

20 And just so you know some facts that we're not  
21 proud of, we've had five federal disaster  
22 declarations in the last five years. That's where  
23 I've become a good friend with the secretary here.  
24 We have the second highest unemployment in the  
25 state. But this marina has brought in somewhere

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1           around 8.5 million annually when it was doing well.  
2           So rebuilding this marina would be a good stimulus  
3           for our economy, but also putting it back in working  
4           order and protecting it is very important for us.  
5           So with that, if there's any questions.

6                     GOVERNOR CRIST:   CFO?

7                     CFO SINK:   Thank you, Governor.  Well, Mayor,  
8           I'll just make a comment that we've heard this  
9           testimony that this is a very unusual project and  
10          not something we want to be doing a lot of.  And I  
11          certainly wouldn't support it at all if it were a  
12          private development.  But this marina truly is the  
13          heartthrob of Fort Pierce.

14                    MR. BENTON:  Yes, it is.

15                    CFO SINK:  And it's incredible the amount of  
16          economic activity that you're able to generate and  
17          gin up.  And I was telling the mayor earlier that  
18          three or four of my friends who enjoy fishing on the  
19          Atlantic side as opposed to in the Gulf actually  
20          keep their boats in Fort Pierce because that's the  
21          closest place for people from the west coast to be  
22          enjoying the Atlantic waters.  And I think this is  
23          very well thought out.  It's very interesting.  We  
24          have to have an open mind about trying things and  
25          understand that we don't want it to be another

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1 Kissimmee River restoration. But we won't know that  
2 unless we try it.

3 And so I just want to compliment everybody in  
4 the City and the people at the DEP and all the other  
5 partners and acknowledge the concerns of Audubon.  
6 But the intercoastal waterway is full of -- what I  
7 would call spoil islands that are teeming with bird  
8 life and mangroves and other types of wildlife. And  
9 certainly our hope is that this would work just in  
10 the same way and we would end up having a very  
11 positive ecological impact. And I think it will  
12 work and hope you'll invite me over when it gets  
13 done.

14 MR. BENTON: And all of you have an open  
15 invitation to please visit Fort Pierce because the  
16 transformation in the last 15 years, it's just  
17 amazing. You would not know Fort Pierce compared to  
18 20 years ago.

19 CFO SINK: Thank you.

20 GOVERNOR CRIST: General.

21 ATTORNEY GENERAL McCOLLUM: I just have a  
22 comment that I think the principal concern I heard  
23 from the Audubon Society was opposed to any  
24 armaments on the coast in that coastal waterway or  
25 anywhere else for fear of what it might do to the

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1 channeling and so forth. And I share with the CFO a  
2 concern it not be precedent, but I do also  
3 understand what you're saying and what we've all  
4 talked about today, and that is the importance to  
5 Fort Pierce and the importance to this community.

6 And it seems to me that if we're going to have  
7 any armament at all, this is worth a try because it  
8 could have some real interesting experimental  
9 benefits, if we were able to develop -- those rare  
10 occasions where we do need armament for a situation  
11 like Fort Pierce has with this marina, we could have  
12 something ecologically beneficial as well. We are  
13 going to try, like the CFO says.

14 So I'm going to vote for it. And, Mayor, I  
15 appreciate your being here and thank you for all the  
16 effort you put into this. You put a lot of work  
17 into it.

18 MR. BENTON: It's been many years, but that's  
19 how important it is. And like I said, I had a tough  
20 time early on digesting this, but it just makes  
21 sense. And one thing I think we've all learned  
22 since the hurricanes in Florida and with our  
23 challenged economy, we've had to do things a little  
24 differently and look at what didn't work and how can  
25 we make it work better maybe.



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1           And like I said, this is -- the secretary said  
2           this is a test project, and we're going to make it  
3           work if we're allowed to, so we hope that's the  
4           case.

5           CFO SINK: Governor, can I make a -- did you  
6           want to --

7           GOVERNOR CRIST: Just a comment. First, Mayor,  
8           I want to thank you. I want to thank you for your  
9           thoughtful presentation today and your courtesy and  
10          your leadership style. It's refreshing.

11          MR. BENTON: It's from the heart.

12          GOVERNOR CRIST: Yeah, I can tell, and so can  
13          my colleagues, obviously. And I want to thank the  
14          Audubon, too. We certainly are -- as the mayor said  
15          himself, we all love Florida, and we love the beauty  
16          that makes Florida so special. We also understand  
17          that we need to protect investments in this state.  
18          And, Secretary, I guess maybe a little bit of a  
19          question to you.

20          MR. SOLE: Yes, sir.

21          GOVERNOR CRIST: If this sort of created island  
22          were not the structure to protect the marina, would  
23          the alternatives be a wall --

24          MR. SOLE: Yes, sir.

25          GOVERNOR CRIST: -- rocks? I mean, think about

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1           it. I know of a marina in downtown St. Petersburg  
2           that is protected by a string of rock structure.  
3           And it occurs to me that this may be even more  
4           beneficial. And I remember the first trade mission  
5           I took as governor was to Israel. And, Secretary,  
6           you and I have talked about this a lot, that right  
7           off the coast of Tel Aviv, structures not dissimilar  
8           from this one exist that are parallel, to protect  
9           the beaches of Tel Aviv.

10                   And it occurs to me that this has promise. I  
11           don't know if it's perfect, but it certainly has  
12           some promise. And so I'm going to support it today  
13           as well. And, again, Mayor, I want to commend you  
14           and what you've been able to do in Fort Pierce and  
15           working so hard for the people of your city.

16                   MR. BENTON: Thank you.

17                   MR. SOLE: Governor, real quick, I need one  
18           piece of discretion. One of the special approval  
19           conditions, we had updated it in our ERP permit,  
20           which just provides a little bit more clarification  
21           as it relates to the final design drawings. I  
22           request discretion to go ahead and update that in  
23           the lease itself. It will be exactly the same as in  
24           our ERP special approval conditions. And it just  
25           provides more robust direction as it relates to the

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1 final design drawings and what they have to achieve.

2 CFO SINK: Governor --

3 GOVERNOR CRIST: Yes.

4 CFO SINK: -- I'll make a motion that we  
5 approve the project and understand that our intent  
6 is to delay any future consideration of other  
7 islands until approximately two years after the  
8 project is completed and has met the identified  
9 success criteria.

10 GOVERNOR CRIST: Is there a second?

11 ATTORNEY GENERAL McCOLLUM: Second.

12 GOVERNOR CRIST: All in favor say aye. Aye.

13 ATTORNEY GENERAL McCOLLUM: Aye.

14 CFO SINK: Aye.

15 GOVERNOR CRIST: Opposed like sign. It passes  
16 unanimously.

17 MR. SOLE: Thank you, Governor, Cabinet.

18 GOVERNOR CRIST: Thank you, Secretary.

19 Appreciate it. We are adjourned.

20 (Whereupon, the meeting was concluded at 11:00  
21 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

Reporter,  
  
  
  
  
  
  
  
  
  
counsel

I, Jo Langston, Registered Professional

do hereby certify that the foregoing pages 4 through 116,  
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that I am not a relative or employee or attorney or  
of the parties, or a relative or employee of such attorney  
or counsel, nor am I interested in this proceeding or its  
outcome.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 28th day of August 2009.

\_\_\_\_\_

JO LANGSTON  
Registered Professional Reporter



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